Daily Report

Latin America

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FBIS-LAT-94-047 *10 March 1994*

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NOTICE TO READERS: Effective immediately, all items published in the Latin America DAILY REPORT are also disseminated in electronic form.
An Ω indicates a Foreign Media Note.

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Cuba

Fidel Castro Meets With U.S. Magazine Director

FL0903154294 Havana Radio Reloj Network in Spanish 1510 GMT 9 Mar 94

[Text] The director of a U.S. magazine has visited Cuba. Mortimer Zuckerman, executive director of the magazine U.S. NEWS AND WORLD REPORT, called his first visit to Cuba fascinating because it allowed him to learn firsthand about health, the pharmaceutical industry, and biotechnology.

During his stay on the island, Zuckerman met with Commander in Chief Fidel Castro, and called the meeting unforgettable and fruitful.

Official on Failure of U.S. Anti-Cuban Proposal

PA1003044794 Hamburg DPA in Spanish 2033 GMT 9 Mar 94

[Text] Havana, 9 Mar (DPA)—"The United States failed today in its attempt to drag Latin American and Third World countries into voting in favor of an anti-Cuban resolution at the UN Human Rights Commission in Geneva," a foreign ministry source in Havana stated in commenting on the voting results.

The resolution proposed by the United States and cosponsored by Nicaragua and El Salvador was approved by 24 votes in favor, nine against and 20 abstentions.

Juana Silveira, deputy director of the International Organizations Directorate of the Foreign Relations Ministry, stated that "the vote on the U.S. proposal reflects an ever increasing perception by underdeveloped nations with respect to this issue"

Silveira believes the issue has been highly politicized by Washington, and the U.S. Government's political intention is to include it within the framework of the dispute it has had going with Cuba for years.

According to official Cuban sources, the number of countries that "resisted pressure and refused to vote in favor of the resolution" increased this year in comparison to 1993.

"In failing to obtain half plus one favorable votes of the nations gathered at the commission, and seeing its efforts to obtain massive support from Latin America thwarted, the White House saw its main hopes begin to vanish," Silveira pointed out.

Likewise, she stated that this year, contrary to 1993, the proposal found less support among Asian, European, and Latin American nations. It was not supported by African countries either.

Local radio stations reported that in addition to the United States, Australia, Austria, Bulgaria, Canada, Costa Rica, Chile, Cyprus, Ecuador, Finland, France, Germany, Hungary, Italy, Japan, Mauritius, Holland, Pakistan, Poland, South Korea, Romania, Great Britain, Russia, and Uruguay all voted in favor of the resolution.

China, Guinea-Bissau, Libia, Sudan, Syria, India, Indonesia, and Iran supported Cuba.

On the other hand, the nations that abstained included Angola, Bangladesh, Barbados, Brazil, Cameroon, Colombia, Ivory Coast, Gabon, Kenya, Lesotho, Malaysia, Malawi, Mauritania, Mexico, Nigeria, Peru, Sri Lanka, Togo, Tunisia, and Venezuela.

Robaina Commends Indonesia's Work With NAM

FL0903165894 Havana Radio Rebelde Network in Spanish 1000 GMT 9 Mar 94

[Text] Today in Jakarta, capital of Indonesia, Cuban Foreign Minister Roberto Robaina stressed that Indonesia has done commendable work as president of the Nonaligned Movement [NAM]. In Indonesia Robaina began a tour through several South and Southeast Asian countries with the objective of strengthening Cuba's bilateral relations with those countries.

During his visit to Indonesia, Robaina is to meet with President Soharto, Foreign Minister Ali Alatas, and other ministers and businessmen as well. Robaina told the press that Indonesia, Malaysia, and Vietnam are at present experiencing high rates of economic growth, and that for that reason, Havana is interested in expanding its trade ties with Jakarta.

This is the second time Robaina has visited the Asian continent. Shortly after he became foreign minister he made a visit to China, where he met with Qian Qichen—who is vice premier, State Council—and with Vice President Rong Yiren.

Awaits Meeting With Indonesian President

FL1003002194 Havana Radio Rebelde Network in Spanish 1800 GMT 9 Mar 94

[Telephone conversation between reporters Roberto Cavada in Havana and Rey Rodriguez in Jakarta—live]

[Text] [Cavada] This is a live link-up with Jakarta, capital of Indonesia, connecting with reporter Rey Rodriguez who is accompanying Cuban Foreign Minister Roberto Robaina on his tour of several Asian countries. Greetings from Havana, Rey.

[Rodriguez] Greetings, Cavada. Well, the most important thing I can tell you now is that within a few hours, Cuban Foreign Minister Roberto Robaina will be received by Indonesian President Suharto at Government Palace here in Jakarta, capital of Indonesia, the fourth most heavily populated country in the world, with 189 million [as heard] inhabitants.

I said that the meeting will be held within the next few hours because it is now a little past 0100 in the morning.

I wish to remind you that there are approximately 12 hours' difference. This Robaina-Suharto meeting has dual importance: First, because the foreign minister will be received by the head of the government of a country that is currently achieving a very high economic growth rate; and second, because it has strong commercial relations with highly developed nations such as Japan, South Korea, and Hong Kong, among others.

But I can tell you more: Indonesia has great regional influence not only in the economic area, but in the political field as well. Indonesia has served as mediator in several regional conflicts, as in the case of Cambodia, and today it is a member of the nonaligned movement.

In a meeting with the local press, Robaina said that today all members of the movement are satisfied with the work carried out by this nation, and with its efforts to strengthen South-South relations. In this regard, Indonesian Foreign Minister Ali Alatas today said:

[Begin Alatas recording, in English, with simultaneous translation into Spanish] We have talked about some of the problems we are facing, and as members of the nonaligned movement, and as individual countries, we both agree, as we have always agreed among members of the movement, that now more than ever we need to contribute and to continue playing the same role, to keep participating in a world that is rapidly changing, a world in transition. [end recording]

Today the Cuban delegation will also meet with the top Indonesian Congress representative, then leave for Laos, second leg of the Cuban foreign minister's tour of Asian countries.

[Cavada] Thank you very much, Rey, for this additional report for the many listeners of Radio Rebelde. This was a direct live report by journalist Rey Rodriguez who is accompanying Foreign Minister Roberto Robaina on his tour of several Asian countries.

Envoy to Zimbabwe Releases 'Secret' U.S. Document

FL0903225994 Havana Radio Progreso Network in Spanish 1200 GMT 9 Mar 94

[Text] Important Zimbabwean media have released a secret U.S. document in which its diplomatic representative in Havana admits that human rights have not been violated in Cuba.

In its evening cast, Harare national television carried a news conference by Cuban Ambassador Pedro Nunez Mosquera, during which he distributed copies and explained the content of the report issued by the U.S. Interests Section in Havana.

Agreement Signed To Train Venezuelan Athletes

FL0903212694 Havana Radio Progreso Network in Spanish 1200 GMT 9 Mar 94

[Excerpt] Israel Sarmiento, chairman of the Venezuelan National Sports Institute, has reported that a group of Cuban experts will help prepare the Venezuelan delegation to the 12th Panamerican Games that will be held in Mar del Plata.

Sarmiento and Conrado Martinez Corona, head of INDER [National Institute for Sports, Physical Education, and Recreation], have renewed an exchange and cooperation protocol that will be in effect during 1994. Venezuela will receive a total of 95 Cuban sports advisers who will work at the Venezuelan sports institute and in the states of Falcon, Carabobo, Lara, Cojedes, Anzuategui, Merida, Guarico, Apure, Trujillo, and Zulia. Sarmiento told the press that the services of these coaches will also be extended to Aragua, Monagas, Bolivar, Barinas, Tachira, and (Yara). [passage omitted]

Water Resource Cooperation With Venezuela Sought

FL1003002394 Havana Radio Rebelde Network in Spanish 1800 GMT 9 Mar 94

[Text] The purpose of the working visit to Venezuela of Cuban Deputy Minister [title as heard] Jorge Aspiolea is to seek cooperation mechanisms between Caracas and Havana, aimed at exploiting water resources.

Aspiolea, vice president of the Cuban Institute for Water Resources, has told the press that both parties have set the groundwork for cooperation, service imports, and technical assistance.

He added that they have concluded the final details for the creation of a joint Venezuelan-Cuban company for the exploration of water resources in the desert region of Los Medanos in the northwestern state of Falcon. He added that during the talks they discussed a project to study the lease of a dredge, a highly developed technique with broad experience in our country. [sentence as heard]

Guadeloupe Islands Officials Seek Cooperation

FL1003030294 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 10 94

[Text] Representatives of the Guadeloupe Islands who are in Cuba today visited the site of the Provincial Assembly of the People's Government in Havana.

Mas Biset and Michel Basterd were received by Pedro Chavez, president of the Provincial Assembly in Havana, and by [name indistinct], director of the [words indistinct].

Cooperation agreements can be reached in the area of hydrography, especially concerning technical assistance, distribution of [water] reserves, and water treatment.

Mr. Mas Biset also referred to cooperation in purchasing equipment for a home repairs project in the neighborhood of Podolutti.

Concerning the results of this meeting, we can say that concrete progress has been achieved in the areas of medical services, computer science, and research in the use of solar energy in tourist installations.

Mr. Basterd, who represents a union of enterprises in Guadeloupe, some 150 small- and medium-sized companies, said that upon returning to his country, in addition to speaking about the beauties of Cuba, he will have more elements for discussing its economic potential.

Finnish Reporter Examines Havana Food Situation

94CA0065A Helsinki HELSINGIN SANOMAT in Finnish 30 Jan 94 pp 3, C 1

[Article by Jukka Rislakki: "Food Shortage, but No Famine in Cuba"]

[Text] There is an ongoing debate, both in Cuba and abroad, whether Cubans go hungry or not.

However, beggars are starting to appear on the streets of Havana, and the food shortage is a common subject of discussion. According to reporter Jukka Rislakki from HELSINGIN SANOMAT, a month's worth of food coupons last for two weeks, and for the remainder of the month, the Cubans must scrounge for food anywhere they can or buy it on the black market.

In the morning, residents of central Havana and hotel guests are awakened by the crowing of roosters. The culprits can be found on the flat roofs of apartment buildings, where the Cubans keep their living, cackling food stores. Pigs and goats can be found in the backyard mazes.

Every day, teacher Alejandro Valdes works with his "livestock" on the roof, from where he has a view of the sea. He has a dozen hens, a few chicks, and a few rabbits are huddled in a cage. The door leading to the roof from the attic is locked with a bicycle chain.

"I listen for thieves at night and stay awake with my machete," said Alejandro.

The teacher brings feed for his animals from his job, as well as from the park and the port. "When grain ships discharge their cargo, I am there collecting corn that has fallen to the ground. And I am not alone there," he said.

Food Shortage Topic of Discussion

Valdes started keeping animals last May. Now the family and its closest relatives get three to four eggs a day—equaling the official monthly ration for a Cuban—and often they also get meat. "Meat and eggs are rationed in the stores and otherwise they are too expensive, and we have no dollars," he added.

"The hens are of good native stock. In this neighborhood, many people also keep goats and pigs," said Valdes.

In Cuba and abroad there is a debate on whether Cubans are starving and whether the food shortage is affecting their health.

"People starve to death," complained an expatriate woman, who had been visiting her native country. "It seems to me that they eat very little and look very skinny," she continued.

"Have you seen any dying people on our streets?" asked Governor Jose Hernandez, on his part, and answered: "Of course not! We are not a people dying of starvation, but a people defending its accomplishments."

But beggars are starting to appear on the streets, and the food shortage is a common subject of discussion. The shortage of vitamins is acknowledged, and last spring the government exhorted people to eat the seeds, flowers, and leaves of certain plants.

"No hay, haven't got it," is the familiar response in a Cuban store. As the skimpy card ration is not sufficient, even for half a month, the remainder of the food must be acquired on the black market or—if one has dollars—from a hard currency store.

The Brave Become Restaurateurs

Food can also be acquired through barter, or one can grow it oneself. At certain times, using a special permit, city dwellers may visit a canteen in the area, if there is one.

Last fall, dozens of "dollar restaurants" cropped up in cramped apartments and backyards in Havana, after the government started to allow strictly regulated private businesses. The restaurants have become enormously popular.

A licensed entrepreneur may now make his living in about 100 professions; from shoe polisher and artisan to hairdresser, taxi driver, and repairman. The hiring of outside labor is prohibited, and taxes must be paid. A Cuban with a university degree may not become a private entrepreneur.

Consequently, some brave souls started to sell meals. Addresses are provided by helpful Havanans, but finding a dark restaurant on an ordinary weeknight proved surprisingly difficult.

Finally we found the neat kitchen of Reinaldo and Sofia at the end of a dark alley. There our host and hostess were setting the table.

Preparing food for surprise guests took an hour, and Reinaldo poured us some wine made of sugarcane. The meal proved to be worth waiting for: delicious ham, rice, and beans for two dollars per person. Somewhere else the meal would have cost about 10 dollars.

Reinaldo, who is a cook by profession, told us that he buys supplies in the countryside and only caters to "reliable" customers.

Threat of Fines or Imprisonment

Restaurateurs are risking the punishment of fines or imprisonment. The police are supposedly difficult to deal with; others can be taken care of with a small bribe: "If the CDR (The Revolutionary Defense Committee) happens to come and inspect the place, I'll offer them a free meal."

The government has clarified the rules for private entrepreneurs and has stipulated that they are not allowed to sell perishable foodstuffs, meals, and alcoholic beverages. Only kiosks that sell, for example, bread products, beverages in containers, and candy are permitted. We were told that, during the last term of the parliament, the police effected stronger enforcement and raided numerous restaurants.

Cuban One-Month Ration

For 35 years Cubans have lived in a controlled economy with rationing coupons. Below is a list of items included in a person's ration for a month, which can be purchased at reasonable cost, in pesos, from a state store. In part, the rations are theoretical, as everything is not always available. The availability of staples—rice, cooking oil, eggs, and chicken—has been poor lately.

Six pounds of rice, 8 ounces of white beans, 3 lbs white sugar, 3 lbs brown sugar, ½ lb cooking oil, ½ lb chicken, 4-5 eggs, 1 lb picadillo, made of soy, blood, and meat, ¾ lb goose liver, and once a day, a piece of bread the size of a fist. A coffee package is included once every 15 days.

A small bar of soap, a tube of toothpaste per family, a matchbox, two bottles of household alcohol.

A pound is less than half a kilogram and an ounce is 28 grams.

In reality, it has been a long time since the following products have been available: butter, milk, cheese, meat, potatoes, black beans, vegetables, fruit, spices, beer, rum, chocolate, soap, laundry soap, and toilet paper. Shoes are rarely available.

Milk is available for children under age seven. Pregnant women and sick people are guaranteed special diets.

Workers' Parliament Discusses Inflated Payrolls

94CA0073B Havana TRABAJADORES in Spanish 31 Jan 94 p 6

[Editorial: "Inflated Payrolls and the Labor Parliament"]

[Text] The first 267 sessions held in workplaces to discuss the economic and financial problems of both the nation and of each workplace reveal the people's growing awareness of the need to end the negative phenomenon of inflated payrolls.

However, the real consensus on this strategic goal does not guarantee that there will be the same agreement on tactics, which deal with how to bring about a downsizing process.

Many other questions on this issue may have answers that do not always agree. For that very reason, they are an important topic of debate at the Workers' Parliaments being held in workplaces.

In these discussions, however, it is wise not to exaggerate the impact of an overlarge work force on the inefficiency of some workplaces.

Payroll is, of course, an element to be considered in seeking efficiency, but not the only one, and in our present situation it is possible that it may not even be the most important factor in a great many places.

We want to make this clear and apply a remedy before it is too late, so as to keep administrative reports from dragging this out with excessive analyses of this aspect of a complex solution, while rejecting other approaches that might well have a greater impact on inefficiency, and which could be introduced quickly without having to engage in consultations.

As an example, let us take the case of workplaces with massive quantities of missing items, items that are not paid for and workers that do not pay for their sales and purchases; workplaces where workers squander raw materials and fuels without respecting or even considering consumption regulations; workplaces where workers produce very low quality goods; workplaces with workers with high absenteeism rates, etc., etc., etc.

In summary, we believe it is better to analyze thoroughly other possibilities for improving efficiency, before seeking immediate solutions by downsizing payrolls.

We say this, among other reasons, so as not to forget that the sensitive downsizing process cannot tolerate improvisations or local measures not in full compliance with our state policy, and with the decisive participation of the union movement.

"No downsizing process can be carried out without the unions. This is a requirement, an essential condition for it to be done with quality. It is an orderly and managed process," stated Carlos Lage, vice president of the Executive Committee of the Council of Ministers, speaking at the recent session of the National Committee of the CTC [Cuban Workers Federation].

Lage also explained that the guiding principle continues to be to transfer surplus personnel to other activities or to create new, economically justified functions within the same workplace.

It is clear that the ministries and their sector and business institutions can and must study and suggest solutions, but their actual application will depend on a general policy approved at higher levels with the input of the CTC and its unions.

We maintain that the payroll downsizing process should be done gradually, avoiding traumatic consequences in any sector, area, or activity of labor.

We agree that labor restructuring should proceed quickly in workplaces whose products are essential for our economic revitalization, and which currently have difficulty performing their functions.

In general, the view that downsizing and its dynamics are related to the potential for existing jobs or jobs that may be created in the territories or in enterprises and sectors should take priority; an active policy of training and retraining must be included.

It is our view that future decisions on payroll downsizing should be based on case-by-case analyses, not on one-size-fits-all formulas.

In the Workers' Parliament sessions, the most informative and educational thing may be payroll analyses to determine what salaries paid inefficiently mean in terms of the actual cost per peso of production. This might serve as a basis for finding solutions for the problem.

That cost breakdown must be prepared so that the cost per factory, per shop, per shift will be shown.

If these data for the enterprise are available, but the workers do not know them, the current effort to improve efficiency loses one of its best weapons.

We also wish to speak out against simplistic views that consider the mobilization of personnel for agricultual activities, microbrigades, or defense work, like building people's tunnels, as sources of workplace inefficiency.

These personnel, said Lage at the meeting mentioned earlier, cannot be considered surplus, for their work is useful to the nation.

Now that the parliaments are being intensified at workplaces, it is worthwhile for the problem of surplus personnel to be analyzed everywhere without embellishing or concealing anything, with the certainty that there is no room for discouragement or confusion.

The solutions are in the hands of the workers. We must make sure that any future decision on employment and relocations will reconcile the interests of the nation and social justice.

CTC To Evaluate Workers Proposals After Assemblies

FL0903155294 Havana Radio Rebelde Network in Spanish 1255 GMT 9 Mar 94

[Text] The parliament in the workplace assemblies conclude on 16 March after two months of fruitful exchanges of opinion on how to attain greater economic efficiency, as well as proposing measures aimed at contributing to the streamlining of the nation's internal finances.

During a meeting of the National Secretariat of the CTC [Cuban Workers Federation], CTC Secretary General Pedro Ross reported that the CTC is now preparing to evaluate and devote attention to what the workers brought up, and to promote the (?adoption) of measures, so that every proposal gets its response. For that reason, the CTC will meticulously take stock of the process in each province. This assessment will begin on 17 March, with Holguin, and conclude on 25 March, with Villa Clara. The matter will also be examined during the expanded national CTC committee meeting, scheduled for 29 March.

[Havana Radio Rebelde Network at 1000 GMT on 9 March, in this same connection, reports: "The monitoring of excess workers and their utilization based on the principle of seeking a position for personnel without a job, takes on greater importance at the current moment of struggle for economic efficiency, pointed out CTC Secretary General Pedro Ross Leal during the meeting of the CTC Secretariat."]

UPEC To Hold Plenum, Honor Journalists

FL0903225794 Havana Radio Reloj Network in Spanish 1503 GMT 9 Mar 94

[Text] On the occasion of Cuban Press Day, which will be celebrated nationwide on 14 March, the Jose Marti distinction for lifetime work will be awarded for the first time, in special recognition of the sector's most outstanding professionals. The award will be granted during the national expanded UPEC [Union of Cuban Journalists] plenum, which will also be held on 14 March. The plenum is to examine important matters related to the development of the press in Cuba, following the sixth UPEC Congress.

UPEC president Tubal Paez announced that the commemoration, instituted as an historical tribute to the founding of the newspaper PATRIA by Jose Marti, is being observed nationwide, with homage being paid in discussion and exchange forums. These have already begun in Cienfuegos.

The UPEC presidency reported that UPEC is working on restructuring the provincial emulation competitions in order to choose a site for the Press Day events and the PATRIA newspaper award.

In this capital, Cuba's journalists paid homage to Enrique de la Osa, Santiago Alvarez, and Adigio Benitez [all names as heard]—living legends in print journalism, cinematography, and graphic arts. Certificates were awarded to commemorate the moment. The moment, however, was far more memorable to those who attended the meeting that followed the initial ceremony, which opened to the collection of stories and the broad vision of professionals who, through their different ways of doing things, have set press standards.

At the meeting to pay homage to De la Osa, Alvarez, and Benitez, one of the fascinating subjects turned out to be the revival of ("Nao") and "Hanoi: Tuesday the Thirteenth" ["Hanoi, Martes Trece"], two of the best-remembered plays by the man who founded the (ITAI-Latinoamericano) newscast. UPEC's homage to three great members of the national press constituted reaffirmation of the value of Cuban journalism, its perspectives, and its spirit.

Measures Adopted on Agricultural Transport

FL1003024494 Havana Radio Rebelde Network in Spanish 1800 GMT 9 Mar 94

[Text] In a meeting chaired by Candido Palmero Hernandez, first secretary of the Cuban Communist Party in Havana, and Agriculture Minister Alfredo Jordan Morales, special control and protection measures were adopted in Havana Province for the 1994 Agro-94 [1994 agricultural harvest] campaign.

Approximately 1.5 million quintals of tubers and vegetables will be picked this month in Havana Province, including a significant quantity of potatoes, while in April some 2 million quintals of agricultural products are expected to be harvested.

These measures were adopted to prevent these agricultural products from reaching other destinations. These measures include the control of the fleet of trucks that will participate in the Agro-94 campaign, preventing them from taking other than assigned routes. These measures will not be limited to the outskirts of Havana, but will be extended to all of the capital's distribution and collection areas up to (La Placita).

During the meeting, Palmero Hernandez said that black market proliferation must be stopped. He added that certain elements are dedicated to profiting at the expense of the people.

Sugar Industry Minister Tours Matanzas Province

FL1003002494 Havana Cuba Vision Network in Spanish 2320 GMT 9 Mar 94

[Text] Today in Matanzas, Nelson Torres Perez, Politburo member and sugar industry minister, called for maximum exploitation of current harvest potential during its peak stage.

Torres Perez visited several agroindustrial complexes in that province, chatting with workers, technicians, and leaders. He also verified the fulfillment status of current plans, efficiency rates, and errors requiring correction.

He stressed what he considered essential: production of crude oil, and sugarcane recovery.

Radio Reports UNHRC Approves U.S. Resolution

FL1003151294 Havana Radio Progreso Network in Spanish 1200 GMT 10 Mar 94

[Text] The UN Human Rights Commission [UNHRC] has approved a resolution against Cuba that is in keeping with the traditional U.S. policy of hostility and reflects the constant politicization of that UN commission. The document presented by the United States was adopted by a vote of 24 in favor and nine against, with 20 abstentions. Nicaragua and El Salvador were the only Latin American countries to back the resolution. According to diplomatic sources, the result of the vote did not satisfy the United States which insisted, up to the last minute, that it would obtain 40 votes in favor.

A project similarly based on selectivity and discrimination in the treatment towards Cuba at the UN Human Rights Commission was also approved under U.S. pressure last year, by a vote of 27 in favor—only three more than this time.

Antigua and Barbuda

New Prime Minister Elected; ALP Retains Control

PA0903205794 Hamburg DPA in Spanish 1422 GMT 9 Mar 94

[Text] St. John's (Antigua), 9 Mar (DPA)—The Antigua Labor Party (ALP) has garnered its fifth straight electoral victory by beating a unified opposition in yesterday's elections in this Caribbean nation, which comprises the islands of Antigua and Barbuda. The ALP, with 16 of the 17 electoral districts reporting final tallies, has secured 11 seats in the parliament, while the opposition United Progress Party (UPP) has won four.

UPP leader Baldwin Spencer is leading in his district and it is almost certain he will win. Therefore, the opposition party will have five representatives within the legislature. The last seat will be taken by a representative of the Island of Barbuda.

Although the ALP maintains control over the government, the election results show significant progress for the opposition. The UPP will increase its presence in the legislature from one seat in the current administration to five seats in the next.

In addition, the election results show Lester Bird, an ALP leader, will be the country's new prime minister. Bird succeeds his father, Vere Bird, who decided to retire from politics at the age of 84 after governing the nation since it gained independence 13 years ago.

Haiti

Aristide Accuses U.S. of Double Game

FL1003012294 Port-au-Prince Radio Metropole in French 1700 GMT 7 Mar 94

[Text] President Aristide has officially rejected the legislators' plan voted last week in the Chamber of Deputies. The president-in-exile considers this plan not in compliance with the Governors' Island accord signed in New York last July and even counterproductive to implementation of this accord for the reestablishment of democracy in Haiti. President Aristide made these statements on 5 March during a meeting with UN Secretary General Butrus Butrus-Ghali. Jean-Bertrand Aristide talked for more than an hour with Mr. Butrus-Ghali while several thousand Haitians demonstrated near UN headquarters in support of the president-in-exile.

In a news conference following talks with the UN secretary general, the president-in-exile accused the United States of playing a double game. According to Father Aristide, while Washington publicly reasserts its willingness to support the return of democracy to Haiti, it has simultaneously submitted a draft resolution to the UN Security Council which, he says, is the other side of the coin. For the president-in-exile, there is no possible solution outside the framework of the Governors Island accord.

We refuse to participate in the delay tactics and political cynicism of the international community, which is ambiguous and weak, says the president-in-exile, and which lacks the willingness to implement the process decided on Governors Island. He acknowledges, however, a firmer commitment from France and Canada. In an effort to afford a quick, direct solution to the crisis, President Aristide again asked for the application of a strict and total embargo. He said that international military intervention is unnecessary. He demanded above all the departure of the authors of the coup d'etat before considering the nomination of a new prime minister and the installation of a concord government.

According to a high-ranking UN employee who attended the talks between President Aristide and UN Secretary General Butrus Butrus-Ghali, the president-in-exile appeared at the same time intransigent and disappointed. This high-ranking employee indicated that Jean-Bertrand Aristide feels betrayed by the international community on Governors Island.

In a press release issued after the meeting, the UN secretary general stated that the crisis settlement plan voted by the Haitian legislators constitutes a means of overcoming the deadlock and achieving implementation of the Governors Island accord, not the substitution of this accord.

Butrus-Ghali and Jean-Bertrand Aristide promised to continue to explore the means of solving the crisis. It should be recalled that on the eve of this meeting between the UN secretary general and the president-in-exile, the group of the Four Friends of Haiti submitted to the UN Security Council a new draft resolution for reinforcing the international sanctions against Haiti. The draft resolution provides for a total trade embargo except for food and drugs, the cancellation of noncommercial flights to and from Haiti, as well as travel restrictions on the coupists and their relatives abroad. The Security Council is due to make a decision within 15 days of this resolution.

'Confusion,' Beatings, Arrests at Senate

FL0903184794 Port-au-Prince Signal FM Radio in French 1130 GMT 9 Mar 94

[Excerpts] There was confusion at the Haitian parliament on 8 March. Employees were forced to leave the Legislative Palace by a group of armed men who did not hesitate to beat them to compel them to leave the premises. The following is a report by Jean Luckenson.

[Begin Luckenson recording, in Creole] There was much tension at the office of the Senate of the Republic on Tuesday, 8 February [date as heard]. Both high level employees as well as lower-level ones were obliged to clear out, to run away because of threats by 18 January Senator Osny Eugene, the quaestor of the unofficial Senate office who was very angry and took off his jacket so he could drive employees out. He was accompanied by policemen and armed civilians who were jostling employees and who even used their weapons to hit the employees. An employee, who told us what was going on, said that the employees have nothing to do with the running battle within the Senate of the Republic. So, they will not budge an inch, they will wait for Senate President Firmin Jean-Louis. We must tell you that even the secretary general of the Senate shared the fate of the employees. [passage omitted]

Sen. Osny Eugene, quaestor of the unofficial office, asserted that he had sent a press release to the radio stations asking employees to stay home. This is why he drove employees out on the morning of 8 March. The controversial 18 January senator went on to say there must be a meeting of the 26 senators so they can reach a compromise. [passage omitted]

For his part, Sen. Bernard Sansaricq described what happened at the Senate office on 8 March—when Sen. Firmin Jean-Louis, legitimate president of the Senate of the Republic, came back to his office—as an impertinence. The president of the unofficial office stated that the situation (?is back to normal), that he will sit normally, that he has a mild temperament, but that he can become extremely violent, and that this is what explained his silence on 8 March. [passage omitted]

Until 1500 this afternoon, we noted the presence of the senators of the Alliance for Parliamentary Cohesion, the controversial 18 January senators, but no National Front for Change and Democracy Parliamentary Bloc senators were present. So, sessions could not be held by the

legitimate office led by Firmin Jean-Louis. We must tell you that many arrests were made by armed civilians who injured a young man with a gun before taking him away. Members of the press who were on the scene received threats from armed civilians who prevented them from coming near the scene to see the disturbances and mayhem. Jean-Luckenson for Signal FM. [end recording]

Larosiliere, Jean-Louis React

FL0903190394 Port-au-Prince Signal FM Radio in French 1130 GMT 9 Mar 94

[Excerpts] The official Senate quaestor has reacted. Senator Julio Larosiliere has charged Sen. Osny Eugene and Sen. Bernard Sansaricq with the responsibility for the physical attacks on employees of the Senate administrative service. [passage omitted]

Firmin Jean-Louis, the official senate president, says he has advised the senators not to go to the premises of the Senate in order to avoid any clashes. Jean-Louis has called the incidents barbarous acts. Sen. Jean-Louis says he asked the police chief to intervene to stop the acts of banditry, but that he remains unsatisfied.

[Begin Jean-Louis recording, in Creole] [passage omitted] The first thing we did was to communicate directly with Port-au-Prince Police Chief [Lieutenant] Colonel [Joseph Michel] Francois. I had a long telephone conversation with him. I explained to him the situation the way it had been explained to me. As Senate president, I formally asked him to take the necessary measures to ensure not only the safety of the building [corrects himself] of the buildings, but also the safety of the senators. He told us that—just as he agreed to send policemen on 7 March at the request of Sen. Sansaricq—he agreed to send soldiers to the Senate. The soldiers may ensure safety both inside and outside of the building, but they will not intervene in what may happen between senators. This supposedly means that the soldiers can do nothing in the event that senators aim weapons at one another. [passage omitted] [end recording]

Larosiliere Issues Appeal

FL1003023794 Port-au-Prince Radio Metropole in French 1700 GMT 9 Mar 94

[Text] The Senate office led by Firmin Jean-Louis asks Senate employees not to show up for work in the aftermath of incidents that took place on 8 March in the Senate, while they await clarification of the situation. In a statement read on Radio Metropole, the Senate quaestor made reference to brutalities committed against employees. He also denounced the behavior of legislators who used force to control the Senate.

[Begin Larcsilliere recording] The Senate office strongly condemns the acts of violence and the brutalities against Senate employees not only by senators elected in the contested 18 January 1993 elections, but by other senators as well. Despite the threats by members of the so-called office, threats on radio, and the arbitrary arrest of the assistant chief of the Senate supply service under the instigation of those same citizens, one did not imagine that they would move from words to action. In fact, some Senate employees were ill-treated, some beaten by this same group and other armed individuals working for them.

Since the office has no means of dealing with this situation except those provided by the Constitution and the Senate's internal rules, the office is obliged to take the following extraordinary and limited measures:

1. While waiting for the office to take all necessary measures to guarantee the security of all senators and staff, the quaestor's office asks employees not to show up for work on Avenue Marie-Jeanne in the Biscentenaire area.

2. The office asks the staff to keep in touch with the quaestor's office in order to receive their paychecks and all other important communications.

Thank you. 8 March 1994, Julio Larossiliere, senator of the Republic, quaestor in the Senate. [end recording]

Aristide Backers Criticize CONACOM Position

FL0903193494 Port-au-Prince Radio Metropole in French 1700 GMT 8 Mar 94

[Text] In Port-au-Prince, the Carrefour-Feuilles Platform [Plateforme de Carrefour-Feuilles] organization criticized the attitude of some FNCD [National Front for Change and Democracy] legislators who gave their support to the plan approved by the legislators. The Carrefour-Feuilles Platform condemns the decision of the CONACOM [National Congress of Democratic Movements] secretary general who supported the legislators' plan.

[Begin unidentified speaker recording] This plan is one way for the State Department, Victor Benoit, the Army, and the macoutes to extinguish all the hopes that the 16 December and 20 January elections brought the Haitian people. We are criticizing all the FNCD legislators who let Victor Benoit and the State Department buy them in order to sell out the country so that repression and beatings replace democracy in the country. We call those legislators Lavalas traitors with no conviction. The Carrefour-Feuilles Platform is astonished to see that lust for power made Victor Benoit forget all the CONACOM militants who were killed during the coup d'etat.

Who is to say that they were were not accomplices in the killing of those militants! The State Department should either officially support the criminals or the return of Aristide and democracy to the country. Our words are our convictions in the Carrefour-Feuilles Platform. [end recording].

U.S. Official Pays Second Visit in 5 Days

FL1003005894 Port-au-Prince Signal FM Radio in French 1130 GMT 9 Mar 94

[Text] Michael Kozac, the assistant to the special representative of President Clinton in the Haitian crisis, arrived in Port-au-Prince on the afternoon of 8 March. During his stay, Mr. Kozac is to meet with Haitian businessmen and parliamentarians, such as members of the Senate office presided over by Firmin Jean-Louis.

This is the second visit by Kozac in less than five days.

Details, Conditions for New UN Sanctions Noted

FL0903203194 Port-au-Prince Radio Metropole in French 1145 GMT 9 Mar 94

[Text] The UN Security Council has given itself some time for reflection before adopting a draft resolution reinforcing the sanctions against Haiti in order to examine in detail the technical and political aspects of such a decision, indicated French Council President Jean-Bernard Merimee. It is a complex draft resolution and the Council needs some time to examine it, Mr. Merimee told the press after a Security Council consultative meeting attended by Dante Caputo.

It should be recalled that on 4 March, the group of four [France, Canada, Venezuela, and the United States] submitted to the Security Council, a resolution providing notably for the imposition of a trade embargo against Haiti and some sanctions against the military.

Those measures, which would be added to the oil and military embargo in effect since last year, would constitute a new attempt from the international community to force the Haitian military to give back power to President Aristide and to facilitate his return to Haiti. However, the resolution requires the effective cooperation of Mr. Aristide in the search for a political solution before the imposition of new sanctions against Haiti.

Netherlands Antilles

Aruba Decides To Remain With Netherlands' Kingdom

BR0903154994 Rotterdam ALGEMEEN DAGBLAD in Dutch 9 Mar 94 p 3

[Unattributed article: "Aruba Can Remain Part of Kingdom"]

[Text] Aruba can remain part of the Kingdom of the Netherlands after 1 January 1996. But the Lower Chamber does want the island to take a number of measures in order to greatly improve the standard of government.

Minister Hirsch Ballin (Netherlands Antilles and Aruban affairs) was pleased yesterday evening by Parliament's response. "The protracted mock battle on possible independence is no solution to the problems which Aruba is currently facing."

CDA [Christian Democrat Appeal] deputy Bijleveld-Schouten yesterday summarized the position: "Sound and honest government in Aruba is of the utmost importance. Also with regard to the situation in the Netherlands Antilles."

The date for independence of 1 January 1996 was laid down in the Kingdom statutes when Aruba broke away from the Netherlands Antilles in 1986 and achieved separate status. Aruba does not now want independence as the island fears that it will cause foreign investors to pull out. Next week the Upper House must decide whether Aruba will be allowed to remain within the Kingdom.

Indians March on San Cristobal de las Casas

PA0903210394 Monterrey EL NORTE (Foreign Edition) in Span 8 Mar 94 p 1A

[Article by Jesusa Cervantes]

[Text] San Cristobal de las Casas—Some 2,000 Indians from nine Chiapas municipalities yesterday marched from their communities to this city's Mayor's Office, where they staged a sitdown strike, and said they will take up arms if their problems are not resolved.

The participants of this demonstration, which began at 1100, entered San Cristobal de las Casas on the two main roads from the municipalities of Las Margaritas, Ocosingo, Comitan, Palenque, Chanal, Hiuxtan, San Juan Chamula, Altamirano, and Zinacantan.

Domingo Lopez, the leader of those who were displaced from Chamula, stated that: "We do not want this peace if there is no justice, freedom, and democracy, and we warn that if the government does not listen to us, we will take up arms. If we are killed, the government will be responsible."

The demonstration was called by State Council of Indian and Peasant Organizations [CEOIC], which groups Indian associations together. The demands include the immediate dismissal of all municipal presidents on the grounds that they were appointed and do not answer the demands of the citizens. They also demand the dismissal of all members of the local congress.

Lopez said: "If the government does not listen to us, what we want to avoid will occur—there will be more bloodshed, we are poor Indians and have nothing to lose." Lopez added: "We will not allow the deaths of our brothers of the Zapatist National Liberation Army [EZLN] to be in vain."

The communique was signed by CEOIC members, who explained that only Indians who had not been forced to go—as has been done in ceremonies staged by the governor—attended the demonstration.

Slowly, Indians from the Chiapas mountains arrived at the Municipal Palace, where the EZLN issued the Lacandona Jungle declaration on 1 January. For a minute-and-a-half, raising their fists, the demonstrators payed homage to fallen EZLN members.

Representatives of the various organizations stressed their unconditional support for the EZLN and its causes.

San Cristobal Community Expresses Demands

PA1003044094 Mexico City LA JORNADA in Spanish 8 Mar 94 p 6

[Text of a letter sent by inhabitants of San Cristobal de las Casas to the three branches of the Mexican Federal Government and the Chiapas State Government, Peace Commissioner Manuel Camacho Solis, and Jorge Madrazo, president of the National Human Rights Commission; date not given]

[Text] We hereby inform you that on 7 March 1994 approximately 2,000 inhabitants of the community of San Cristobal, duly accredited as representatives of various urban and rural area civic groups, met in San Cristobal de Las Casas. These groups include the Constitutional Municipal Council; 33 community aid and participation councils; the National Chamber of Commerce; the Rotary Club; the Lions Club; the Junior Chamber of Commerce; hotel operator, restaurant owner, and travel agent associations; the Peasant Grassroots Committee representing 20,000 Indian residents of 74 rural communities throughout the municipality; professional lawyers, doctors, dentists, and builders associations; the Municipal Parent Teacher Association; Territorial Movement grassroots social committees; members of the National Federation of Organizations and Citizens (FNOC) [Federacion Nacional de Organizaciones y Ciudadanos]; the Confederation of Mexican Workers (CTM); the Revolutionary Confederation of Workers and Peasants (CROC); the General Confederation of Workers (CTG); homemakers associations, and foundations.

During the meeting, the current situation in the San Cristobal District was examined in full detail, in light of the current events following the 1 January armed incursion and, in addition, the arrival of groups of peasants from other states and from communities within Chiapas. Said groups have violated the peace of our town with acts that range from demonstrations of disrespect for our dignity and our municipal integrity to outright acts of provocation and hostility and the commission of crimes against our property. Such crimes include damage to private property, looting, illegal occupation of public roads, illegal representation, accessory to crimes, illegal association, threatening schools, and other unlawful acts. The community has reported these acts to the appropriate authorities.

The entire population of San Cristobal de las Casas strongly condemns these events. Despite this, and to demonstrate our compliance with the principals of justice and democracy for the Indians—one of the issues that inspired the movement—we have been respectful toward the events related to the peace negotiations. In addition, we have patiently cooperated throughout the peace process regardless of the personal annoyance and economic harm said process entails.

However, we the Coletos, the true community of San Cristobal by birth or affinity—despite the deceitful propaganda displayed by many members of the media—say ENOUGH. Therefore, in an appeal to what is our last hope before emotions explode beyond control, with faith in our state of law, and with the prior approval and verification of the people, we hereby publicly DEMAND:

1. The immediate eviction of those occupying the Municipal Palace, Plaza 31 de Marzo, and Parque de los Arcos.
2. Immediate eviction of those who have invaded urban and suburban properties.
3. That the peace agreements be signed in another town.
4. Active participation of the Armed Forces in maintaining law and order throughout the community.
5. Full effect and application of the law.
6. Immediate deportation of those troublemaking foreigners who cannot prove their legal status in this municipality and in the country.
7. Impartial performance of the human rights commissions and nongovernmental organizations, in light of their evident tendency to favor criminals and offenders of the law.
8. Respect for our Municipal Urban Development Plan to administrate the use and adjudication of lands, implement ecological conservation areas, and ensure an orderly development process, without allowing any more irregular human settlements to develop.
9. Respect for municipal autonomy, thus allowing the true members of the San Cristobal community to participate in the decision making process that affects our town. We will not allow any person, group, or authority from outside our municipality to decide whether our municipal authorities, who were elected by the sovereign will of the people, should remain in place or not.
10. We request that Bishop Samuel Ruiz Garcia be transferred to a different dioceses once his job as mediator in the peace and reconciliation talks is over. The assembly of the San Cristobal community publicly charges him, along with his catechists, deacons, and priests—all of whom preach liberation theology—of being the mastermind of these movements. This demand must be sanctioned by the inhabitants of the other municipalities within the dioceses.
11. Temporarily closing all Catholic churches for public worship or any other use. To this end, the Government Secretariat and Social Development Secretariat must immediately take control of the buildings until the San Cristobal assembly decides differently, given that both religious worship and the use of the buildings have been distorted, mainly to defend crimes. The resident reaffirm that being devout does not require the work of priests at this time.
12. Strengthening neighborhood organizations to consolidate the organization of the people of San Cristobal.
13. The objectivity of the international, national, state, and municipal media, requesting they investigate and be aware who are the real San Cristobal residents because, so far, they have only heard the usurpers of our community and have distorted the real expression of our people.
14. Political organizations must be prohibited from using our municipality as a stage for their disputes and our city must not continue to be a ring where candidates to the presidency of the republic, the Nobel Peace Prize, and the Chiapas governorship are negotiated. Special note must be made of the public charge presented at the assembly against officials who helped create and finance the State Committee of Indian and Peasant Organizations, responsible for the seizure of our Municipal Palace.
15. Our vigorous protest must be presented to the Oaxaca Government and Elba Esther Gordillo, national leader of the Union of Education Workers, on the participation of Oaxaca citizens and union teachers in the seizure of land and the occupation of public buildings.
16. Peace and Reconciliation Commissioner Manuel Camacho Solis must demand the necessary impartiality from Bishop Samuel Ruiz Garcia in his position as mediator so that the interests of the Mexican community will be expressed freely and without pressures. It is obviously hoped that this objectivity will not produce revenge or reprisals, in the face of which the people of San Cristobal will remaine unified and dignified.

It must be clear that the people of San Cristobal are confident in the peace negotiation process. We support it and in no way will we permit that our just demands be used as a pretext or argument to hinder those talks. Moreover, we ask the peace and reconciliation commissioner that these no less legitimate demands, which also entail peace and justice, be included in the dialogues, even though this city is no longer the site of the talks.

We also express solidarity with the Indian people's demands for development and all the support mechanisms that the government and civilian society will establish for their benefit. Like them, we also demand honesty and sincerity as well as efficiency and productivity to lift them from their state of under development. We know the beneficiaries will assume their responsibilities as active participants in their development, with sufficient maturity so as to not need unofficial interlocutors.

In defense of these demands, the San Cristobal assembly unanimously decided to request the presence of the state governor as soon as possible so the previous charges can be confirmed by the civilian population, and so the San Cristobal assembly can become a permanent civic assembly through the Citizens Front for the Defense of San Cristobal Dignity, legitimately represented by the signatories.

Respectfully:

Jorge Mario Mescieur Talavera, constitutional municipal president; Sergio Alberto Pastrana Orega, municipal secretary; Ricardo Diaz Martinez, coordinator of the Civic Defense Group; Lucio Flores Lopez, representative of the Peasant Grassroots Committee (CNC); Margarita Martinez Paniagua, representative of the Neighborhood Participation and Cooperation Councils; Sixto Gonzalez Rovelo, president of the San Cristobal de las Casas National Chamber of Commerce and Tourism Services; Javier de Jesus Zepeda Constantino, vice president of National Chamber of Commerce; Ariel Ortega Oseguera, president of the Junior Chamber of Commerce; Fernandez Hernandez Cancino, representative of hotels and motels; Javier Ortega Lopez, Copresan

[expansion unknown] and Credit Union; Rafael Solorzano Penagos, National Front of Organizations and Citizens; Cristiana Ocampo de Cordero, representative of the Friendship Group; Roberto Perez Velasco, Union of Market Vendors; Jose Castillo Tielemans; Alejo Dominguez Salazar, Association of Small-Scale Rural Property Owners; Jorge Alberto Ruiz Cacho, Association of Architects; Javier Rotter Maldonado, secretary general of the Revolutionary Confederation of Workers and Peasants; Francisco Cordero Moreno, secretary general of the Revolutionary Confederation of Workers and Peasants; Jaime Mario Morales Gonzalez, secretary general of the FTSE [expansion unknown]; Francisco Lazos Zea, assistant secretary of the General Confederation of Workers; Heriberto V. Castaneda, president of the Municipal Parents Association; Lucas Ramos Lara, representative of the Lions Club; Filiberto Flores Lopez, president of the Rotary Club; Juan Oscar Lievan Narvaez, president of the Bar Association; Julio martinez Solis, Association of Dentists; Carlos Gutierrez Lievano, Association of Builders; Benjamin Rojas Castro, president of the City's Consultative Council; Carlos Rodriguez Morales and Miguel Zepeda Bermudez, advisers.

Tension Grows in Chiapas; Peasant Leader Killed

PA1003024394 Mexico City Radio ACIR Network in Spanish 0000 GMT 10 Mar 94

[Live report by Mary Carmen Camacho in Tuxtla Gutierrez, Chiapas; from the "ACIR Radio News" newscast]

[Text] Once again, there is a lot of tension in Chiapas. There have been many protests by people either in favor or against dialogues with the EZ [not further identified], which are being held at the San Cristobal de las Casas Cathedral. Bishop Samuel Ruiz has received death threats. There is a lot of activity in Chiapas State.

Let us hear from Mary Carmen Camacho, who is in Tuxtla Gutierrez, the Chiapas State capital. Good evening, Mary Carmen.

[Camacho] Good evening, Pepe. Here is my report. Today, eight masked men killed Mariano Perez Diaz, regional leader of the Emiliano Zapata Peasant Organization. Francisco Meneses Gazon, municipal president of Simojovel, reported that the peasant leader was killed this morning on the doorstep of his home in El Carmito, 15 km from Simojovel. The son of the [word indistinct] leader in northern Chiapas was wounded in the attack.

Meanwhile, approximately 70,000 workers, members of the Confederation of Mexican Workers [CTM], have threatened to break with the national CTM leadership if Fidel Velasquez does not accept the Chiapas workers' proposal that a CTM congress be held in Chiapas and that the state's CTM executive committee be elected here. At a meeting in Tuxtla Gutierrez in which representatives from almost 400 Chiapas labor union organizations participated, the participants ratified Carlos de Jesus Nataran Cordoba as CTM leader in Chiapas and expelled Javier Proter Maldonado, who yesterday was assigned to the post by CTM national leader Fidel Velasquez without the knowledge of the Chiapas workers.

Nataran Cordoba, the acknowledged leader, said the Chiapas workers had thought about breaking with the CTM and forming their own labor federation. CTM workers said they will use force to keep the people appointed by Fidel Velasquez to the CTM state executive committee from taking office. This is what has happened in Chiapas.

Defense Secretariat Issues Human Rights Bulletin

PA0903174694 Mexico City XEW Television Network in Spanish 0435 GMT 9 Mar 94

["Text" of Bulletin No. 31 issued by the Mexican National Defense Secretariat on 8 March in Mexico City; from the "24 Hours" newscast]

[Text] In its preliminary report on the armed conflict in Los Altos de Chiapas issued on 22 February, the National Human Rights Commission stated that it has received 76 complaints of human rights violations allegedly committed by Mexican Army members.

In this regard, the Judge Advocate General's Office explains that of the 76 complaints mentioned by the commission, it has only been notified of 46, of which 40 have already been investigated within the legal time period with no evidence being found that military personnel were responsible. The remainder are under investigation by the citizens complaint office. Three cases are under preliminary investigation. Two of them allegedly occurred in Ocosingo, and one allegedly occurred in Altamirano. An in-depth investigation is being carefully carried out.

Even though the National Human Rights Commission is the constitutionally recognized organization in charge of protecting human rights on national territory, we have also heard complaints from the national human rights network called All Rights for All [Todos los Derechos para Todos], which submitted a list of 127 alleged violations by Army members. Up until now, 93 of them have been resolved, and the military has no responsibility. The 34 remaining complaints are in the investigation process and are being cleared up by the citizens complaints office. Likewise, we reiterate to the public that the complaint office is permanently open to receive any person wishing to report any improper conduct by military personnel.

As for the armed institution, it is important to clear its members beyond any shadow of a doubt, because, as it has been reported to the public, any conduct contrary to military discipline will be penalized according to what has been stipulated in our Code of Military Justice. The goal is to irrefutably prove that the charges that have been filed against Mexican Army personnel in some cases have only been unfair accusations.

Costa Rica

Calderon on Dispute With Nicaragua Over River

PA0903154594 Panama City ACAN in Spanish 2321 GMT 7 Mar 94

[Text] San Jose, 7 Mar (ACAN-EFE)—Costa Rican President Rafael Angel Calderon said today that he will talk to Nicaraguan President Violeta Chamorro about the dispute over the San Juan River, which delimits the border between the two countries, during her 27 March visit. San Jose Municipality invited Chamorro to visit Costa Rica to open the Nicaragua Park in this capital. She will seize the opportunity to meet with Calderon.

The dispute emerged over an alleged five-dollar charge, which is considered illegal by Costa Rican authorities, collected from tourists navigating along the San Juan River which delimits almost 200 of the 320 km that the two countries share.

Last weekend the Costa Rican president hinted that the next administration, which will be inaugurated on 8 May, could take this dispute to the International Court of Justice, headquartered at The Hague (the Netherlands), in case it cannot be solved through other means. Calderon today stressed the cordial relationship between Costa Rica and Nicaragua and said that he will talk to Chamorro to find a solution to the said charge which Nicaraguan authorities consider legal.

Nicaragua has sovereignty over the San Juan River, which drains Lake Nicaragua, but according to border treaties signed last century, Costa Rica also has the right to navigate it freely. Costa Rican Foreign Minister Bernd Niehaus today told ACAN-EFE that the matter could be taken to the International Court of Justice at The Hague, but he is hopeful it can be solved through talks between the two nations. He said that he hoped to talk today to his Nicaraguan counterpart, Ernesto Leal, to find a solution to this problem, which arose due to Costa Rican tourist enterprises.

El Salvador

FMLN Opposes Armed Forces' Role in Elections

PA0903203994 San Salvador Radio Farabundo Marti Network in Spanish 1200 GMT 8 Mar 94

[Report by Dagoberto Corea from the "First Edition" newscast]

[Text] On 7 March, the Farabundo Marti National Liberation Front [FMLN] criticized the Supreme Electoral Tribunal [TSE] for including the High Command of the Armed Forces on the team that will oversee and serve in an advisory capacity for the 20 March elections. FMLN Coordinator Shafik Handal said the inclusion of the High Command in the elections violates the Constitution and the Electoral Code. He added that the Armed Forces have always been used as an instrument to commit fraud.

[Begin Handal recording] This violates the amended Constitution. The Constitution specifies very different duties [words indistinct]. This is an attempt to give continuity to an Armed Forces role—a role that exceeds the Armed Forces' authority. No constitutional [word indistinct] authorizes the Armed Forces' involvement. The Armed Forces have always been part of the electoral apparatus, and their soldiers and officers have been used as instruments to perpetrate fraud in this country. We have unpleasant memories of this. It is time to [words indistinct]. We believe pressure is being exerted here. [end recording]

Handal recalled that the National Civilian Police is the only institution authorized to provide security and surveillance in the 20 March elections. Meanwhile, the FMLN's Norma Guevara, member of the Supervisory Board [Junta de Vigilancia], stressed that the TSE drafted the plan without any prior consultations.

[Begin Guevara recording] We were puzzled by the Armed Forces High Command's inclusion in the National Collection Center [Centro Nacional de Recepcion], because what is involved is a contract to offer services and means of transportation, and this institution should not be involved in this. The Electoral Code and the Constitution forbid this. Therefore, we are demanding that the TSE offer an explanation and, above all, correct this situation as soon as possible. [end recording]

Meanwhile, FMLN member Gerson Martinez said the latest polls reveal that 30-40 percent of the voters have yet to voice a preference in the upcoming elections.

Ministers Discuss Human Rights Situation

PA0803224194 San Salvador Radio El Salvador Network in Spanish 1715 GMT 7 Mar 94

[News conference by Presidency Minister Oscar Santamaria, Foreign Minister Miguel Angel Salaverria, and Human Rights Commissioner Benjamin Cestoni, with foreign and domestic reporters and an unidentified moderator at the Presidential Palace in San Salvador—live]

[Excerpts] [Santamaria] Domestic and foreign reporters, we want to announce that this morning we will be holding the regularly scheduled presidential news conference from the Presidential Palace. The president sends his regards because he cannot be with you this morning. Therefore, I will answer your questions during the president's weekly news conference.

This morning we want to inform all of the media in attendance that at the beginning of this news conference we will discuss an issue of utmost importance. It is the

human rights issue. Foreign Minister Miguel Angel Salaverria and presidential Human Rights Commissioner Benjamin Cestoni are here with us this morning. Cestoni recently returned from the 50th Annual Conference on Human Rights at Geneva. Previously, the foreign minister himself had been in Geneva.

We want to devote the first part of this morning's news conference to this issue—an issue we consider having the utmost importance. We want to report to you that the government is very satisfied that in Geneva, Switzerland, a conference took place in which our country was included on the agenda—the UN agenda on human rights policy as discussed by the Human Rights Commission that meets annually in Geneva. The conference was held within this framework.

The Salvadoran case was analyzed from the different points of view. Diverse individuals who have dealt with the human rights issue in our country took part in the conference—namely, the Human Rights Prosecutor's Office; Onusal's [UN Observers for El Salvador] Human Rights Division, which also travelled to Geneva; and, of course, the Salvadoran Government through its permanent mission in Geneva. In addition, high-level government officials also travelled to Geneva, as I have already mentioned. The foreign minister and the presidential commissioner on human rights also discussed the issue and presented arguments we believe should be publicized in terms of El Salvador's human rights policy.

We were able to establish that marked progress has been made here in respecting human rights; this is evident. Based on this, we have been working on a consistent, sustained policy to improve and strengthen human rights. Proof of this has been the diverse forums in which this issue has been discussed. During the past year, numerous contributions have been made in this area. Other human rights representatives who, on one occasion or another, have visited the nation also have witnessed this.

In turn, we were able to make a presentation that we considered fundamental. This contributed to the fact that at the conclusion of the conference, the commission decided that the Salvadoran case should be included in an agenda different from the one in which it had been included up until this point. We contended that the Salvadoran case should be viewed from various perspectives. We want to be honest, and we want to be realistic. Taking into account the progress we have made, El Salvador should be encouraged in its human rights policy and not be subjected to disciplinary action or punishment.

Sometimes it seems that evaluations by international organizations on a given country's human rights situation focus on what that country should do. We think we have done a lot. Indeed, we have done a lot, and you are witnesses to the fact that here we have not only one but a number of mechanisms that have contributed to our human rights policy. They have all been contributing. We have a Human Rights Division, which is part of a human rights verification and promotion mechanism; we have a Human Rights Ombudsman's Office, which also verifies and promotes human rights; and we also have a presidential commissioner for human rights as part of a policy that we consistently carry out. Human rights are also handled by way of an independent expert. As mentioned on previous occasions, the expert has also been involved in human rights within the country. We can possibly say that few countries have as many mechanisms dealing with the verification and promotion of human rights as El Salvador.

Nevertheless, I think there comes a time when a country shows proof and must say: We have progressed so much that we think the policy should be handled differently, especially at the level of international organizations. This is exactly what we did in Geneva. We said that the Salvadoran case should be seen from a different viewpoint or perspective, and that our progress has been so significant and evident that we have sufficient reasons and arguments to support our request. This is what the international community heard.

Although the role of the expert continues to exist—and we have stated that there is reason for this—his role, his function, is totally different from the one he had in the previous period. This is stated in the resolution I am going to quickly read.

In (?Point 2), it states: The commission decides to extend for one year the mandate of the independent expert for the purpose of facilitating the advisory services for El Salvador and of informing, in close cooperation with the Human Rights Division in El Salvador and the Salvadoran Government, the Human Rights Commission in its (?21st) period of sessions—in other words, next year—regarding the evolution of human rights in El Salvador as part of the Advisory Service on the Topic of Human Rights. This is the name of the program we now have.

This is the government's achievement we mentioned earlier. We are no longer under a process of observation concerning violations of human rights. Instead, we have come under a program which, as you heard, gives advice on human rights. This is the context within which the Salvadoran case has been seen by the authorities of the Human Rights Commission in Geneva, and this is the treatment the country is now being given.

There has been a favorable response. We see that the objective that took us to Geneva has been achieved. We went to explain our reasons for the Salvadoran's being viewed from another perspective and to say that we were willing to work in the area of human rights within the framework of strengthening and promoting those rights in El Salvador.

Messrs. members of the press, El Salvador receives this resolution as encouragement, as a vote of confidence for the work we have carried out. We think it is consistent with the reality of the country's situation. This was my

introduction in which I wanted to tell you how the topic was viewed and addressed. If you have any questions for me, the foreign minister, or the presidential commissioner for human rights, I hope you will ask them within the context of this topic I am discussing. Thank you. After we address this topic, they will leave and I will stay here to answer questions on other topics you regularly ask me about.

[Moderator] Mr. Mario Jovel from the "Up to Date" newscast.

[Jovel] Good morning, Mr. Minister. I would like to know the difference between the function or role that the special rapporteur on human rights had before and the one he has now. If the international community's eyes are no longer on the country, might not this lead to the reemergence of lack of respect for basic rights?

[Santamaria] I would like the presidential commissioner, who arrived last night, to explain the context of the resolution.

[Cestoni] Thank you, Mr. Minister. Look, the difference is substantial in terms of procedure. First of all, as the minister read in the resolution, the report must be drawn up in close cooperation with the Salvadoran Government. There must be coordination on the information when providing a report to the commission; this is done as part of the advisory process. Previously, the report by the independent expert was based—and [words indistinct] could contain this—especially on the analysis of human rights violations.

The topic is very specific. Topic 12 is called Violation of Human Rights, and it is the topic under which El Salvador was observed for 11 years. Beginning now—and this is related to your second question—the advisory service is precisely designed to strengthen the mechanisms that the country or the international community have to protect human rights in any country. In other words, we think that via the institutional mechanisms we have as a government, we can handle the human rights situation under standards acceptable to the international community.

I want to tell you and the other reporters here that there is no country in the world that is exempt from observation by the international community in Geneva. The topic covers the violation of human rights anywhere in the world. This means that these violations might exist anywhere in the world. Nevertheless, I want to be very specific in stating that in the case of El Salvador, the advisory service and our mechanisms have led to the establishment of a favorable climate for full respect for human rights.

[Santamaria] I would also like to ask the foreign minister to comment on the last part of what you said [words indistinct] or not.

[Salaverria] I do not think so, but before that I would like to tell you about the strategy we have followed with the human rights commissioner and the Presidency minister. The Foreign Ministry carried out a strategy to obtain the support of all the diplomatic representatives in El Salvador. We also wrote to all our ambassadors abroad. I directly addressed the foreign ministers, and the president also held discussions with all the presidents who could help us in Geneva. By way of this strategy, we presented ourselves in Geneva to explain that El Salvador did not deserve to be included in the group of human rights violators. What we wanted was to be removed from that group to alleviate doubts about whether El Salvador was a violator of human rights. I think we have been successful. Dr. Santamaria has already read the part of the resolution in which the commission decided what it will do with El Salvador. But, if you read the entire resolution, it commends El Salvador. All of the paragraphs commend the work that has been done and the progress we have attained.

Now, to be practical and to answer your question, we have 150 human rights observers here. They are working very successfully and have helped El Salvador a great deal.

The appointment of a human rights adviser by the UN secretary general represents additional assistance we are receiving. This is stated in Point 9, which says: We ask the UN secretary general to provide the Salvadoran Government with the counseling services requested through the Human Rights Center. In practical terms, there is absolutely no difference between having 150, 151, or 160 human rights advisers. The job they are carrying out is destined to help the Salvadoran Government improve its human rights situation. Ultimately, I think the process will help us have a better society that will serve as an example for the rest of the world.

[Moderator] Thank you, Mr. Minister. Jorge Barahona of El Salvador's Teleprensa.

[Barahona] Good day. Mr. Pedro Nikkem is the UN special human rights rapporteur. A few days ago, he prepared a report with which you disagreed. My question is this: Is this human rights adviser the same Mr. Nikkem who drafted the report critical of El Salvador? If so, did you request that Mr. Nikkem not be reappointed human rights rapporteur? Would not the appointment of this gentleman place the government in the same situation as before?

[Santamaria] I am going to ask the peace commissioner to answer your question.

[Cestoni] We did not disagree with the Nikkem report. What happened was perhaps a lack of communication on Nikkem's arrival in the country. I had the opportunity to speak to him on Friday. We both expressed satisfaction that mechanisms will be sought to enable him to carry out his mandate. I want to tell you that regardless of the name of the person appointed by the UN secretary general, whether Nikkem or someone else, we will assist him or her in carrying out his or her duty.

I also want to tell you that a new position has been created by the United Nations. This position is the UN high commissioner for human rights. Dr. Jose Ayala Lasso is the first UN high commissioner for human rights. He was elected and appointed last November in New York. The Salvadoran delegation had the opportunity to get in touch with him to review the human rights mechanism carried out worldwide by the United Nations.

I say this because the new procedures may permit us to have the same human rights rapporteur or replace that person or seek other mechanisms. The thing is that there is now within the United Nations a Human Rights Center, where there are many individuals capable of serving as a human rights adviser. This will be a decision of the UN secretary general. We hope that any person appointed fulfills the mandate of advising us. In this regard, we want to make it clear that all countries, especially El Salvador, will always require counseling in human rights affairs.

[Barahona] If Mr. Nikkem is appointed once more, would you consider this as a defeat [words indistinct]?

[Cestoni] No, no, quite the contrary. If a person is allowed to continue in one position... [pauses] I want to make it clear we have nothing personal against Dr. Pedro Nikkem. We clarified this with Mr. Nikkem last Friday. We appreciate him very much, because he has been close to the negotiation process since day one. We want to make it very clear that we have nothing personal against Nikkem. We simply want the mechanisms provided by the United Nations to be definite to enable us to prepare reports jointly. As you may recall, before now he was allowed to prepare reports without even coming here. The idea is now we will work closely together in drafting reports. At the end of the news conference, you will receive copies of the resolution, and this will give you a chance to read the part on cooperation with the Salvadoran Government.

[Moderator] Thank you. Ismael Beltran of EL DIARIO DE HOY.

[Beltran] Good morning, Mr. Foreign Minister. It is still unclear to me as to whether El Salvador has been exempted from the group of countries considered to be human rights violators—a group in which we have been included in the past. Did you manage to get us out of this group or are we still there?

[Salaverria] I can tell you that there are three categories. Point 12 includes countries considered to be human rights violators. El Salvador has never been included there. El Salvador was included in the so-called Point 3 group, which includes countries that were under observation and that may be placed on the list of human rights violators or under the category of those countries that must have a human rights adviser.

Therefore, our achievement stems from the fact that we have moved onto the category of those countries that are assigned an adviser, which can only benefit El Salvador. It was a shame that Mr. Nikkem could not come to El Salvador, but this was mainly due to a misinterpretation—to poor communication. Nikkem was appointed as the expert to advise El Salvador in July 1992, and his term expired in July 1993. In July, no one told us, however, that his appointment had been renewed. After his term expired, he wanted to come to El Salvador, and we asked on what grounds he was going to visit our country because we had never received notice that his appointment had been renewed. It was not that we opposed his visit, but we wanted to know the reason for it. Later, we were given the news that his appointment had been confirmed in July. Unfortunately, by that time Mr. Nikkem had become upset and said he no longer wanted to come to El Salvador.

Despite all of this, we are on friendly terms with him, and we do not believe he is trying to hurt us for the sake of hurting us. It is a shame that Nikkem could not come to witness the changes that have taken place in recent months, and that his report was solely based on his observations during the months of August, September, and October of last year.

Other human rights delegates who are visiting El Salvador also attended the meeting in Geneva. For instance, Dr. Garcia Sayan was there, and he issued a very positive statement for the Salvadoran Government regarding the progress achieved in the area of human rights. I believe we are at a position where we can deal with anyone, be it Nikkem or any other person, on a friendly basis.

[Moderator] Thank you, Mr. Minister.

[Salaverria] Excuse me. I need just another minute. I want to make an observation: No country can be exempted from these groups overnight. There is a procedure to be followed in this organization. Things must be done and undone in a uniform manner. Therefore, just as we entered gradually and ascended to the top, we have also been exiting gradually. First, we were in Point 12, where we stayed for a while, and later, last year, we moved on to Point 3—where we might remain or be removed. Today, we have reached the last phase of this process, in which we have virtually gone through all observation mechanisms. Currently, we have moved from the observation mechanisms to the counseling stage, which is like going from night to day.

[Moderator] Thank you. Mr. Raul Mengen of Radiocenter network is next. [Words indistinct] Mr. Fausto Valladares of Megavision.

[Santamaria] I want to know whether you have any more questions on the human rights issue, because our colleagues will be leaving now. If not, we will drop the subject now.

[Valladares] Does this mean, then, that the [word indistinct] will not be able to report if there is a deterioration in human rights? He will not be able to...

[Santamaria, interrupting] Look, I want to clarify one thing. The report can contain his perception of the country. We are not denying his legitimate right to report whether there are human rights violations in El Salvador, or whether we are moving backward instead of forward. No, that is not the mandate. The mandate involves obtaining broad powers to be able to report a country's reality.

In this case, we managed to ensure that the report will be written in an atmosphere of close collaboration between Onusal and the Salvadoran Government. Why? To ensure an agreement between the time in which an event occurs and the time of the release of the report, because at times, as was the case today, he could base his work on a three-month-old report because he was unable to come to El Salvador. Perhaps this report did not reflect the country's true reality when he arrived in El Salvador.

We have never denied reality. We have welcomed harsh criticism. Remember, we have faced very delicate and serious problems. In the past there was talk about serious human rights violations in El Salvador. Therefore, I think [words indistinct] the resolution mentions the word offense. In other words, the language that is already being used to describe El Salvador is completely different. He, however—and this point is important—is free to draft his report without having to overcome any government obstacles. He is free to draft his report as he sees fit.

[Valladares] At any rate, does this not imply that El Salvador is under permanent observation?

[Santamaria] No, it does not imply being under permanent observation, because, as I said, it is one thing to seek advice to open a business; if you want to buy a house, however, you go to someone to advise you on whether it is a good house, while it is another thing be told you cannot buy the house because you are unable to buy it. [sentence as heard] In other words, we are talking about two completely different issues—two completely different analyses of the situation. I want to say that this does not mean El Salvador has reached the end of the line, as is the case with many countries. We are trying to strengthen mechanisms to reach satisfactory goals.

[Moderator] Are there any other questions on this topic?

[Unidentified reporter] [words indistinct] there seems to be some confusion as to what entails advisory and observation. If this rapporteur appointed by the UN is going to be in our country, or if he is going to remain in our country long enough to prepare a report, will he not have already served in some advisory capacity? Moreover, from the moment the individual arrives in El Salvador he will be observing human rights issues, either violations or observance of fundamental rights. Then, according to the United Nations, the person appointed...

[Santamaria, interrupting] Of course. It is a fact that in order to advise, the person must first evaluate. If someone is asked to repair a house, I believe an engineer would first have to check the foundations, the walls, and so on. We could describe that process as the evaluation stage. Now, for him to evaluate how we can overcome these difficult problems, we will find that he will most likely suggest that in order for El Salvador not to find itself in a position—such as the one our reporter friend here described as a human rights violator, as classified by the international community—then we must increase this or that procedure, issues must be reviewed, and certain institutions must be strengthened. In other words, the general idea is that he is going to guide us in a way that, at the end of the process, which is next year, we... [pauses] Just to give you an example, by November when the next UN General Assembly session takes place, it will not even be necessary to discuss the Salvadoran issue anymore. By November we will have been excluded from the General Assembly agenda. Today we are being taken off of the Human Rights Commission agenda. In other words, this detail is very important because, as I explained to my friend here, there are steps to be followed. Listen very carefully. In terms of New York—the UN General Assembly—we have already been taken off of the agenda. In order words, El Salvador is not going to be included on the agenda for this year. In February 1995, at the Human Rights Commission, we will also be taken off of the agenda.

[Unidentified reporter] [words indistinct] that our country is excluded at the international level [words indistinct] but in another analysis made in this case by the UN appointee [words indistinct] human rights violation?

[Cestoni] Of course. The issue here is human rights. He will come to analyze the human rights situation. If he perceives that in the next eight or nine months we in El Salvador experience a setback in human rights—let us hope this does not happen—and there are serious violations, he will obviously report them. No one can prevent the human rights rapporteur from doing so. What we as government, people, and society must do is to try to ensure that such a report, which must be based on a true account of reality, be as effective as possible in reflecting an improvement in the human rights situation.

Let me add something else. When a government wants to do something right, it does not wait for others to tell it what to do. That is why it has been made clear that when the Salvadoran Government requires counseling, the UN secretary general is obliged to provide it. If we feel we need UN counseling, we will request it; the United Nations does not necessarily have to offer it. It can work both ways.

[Santamaria] I do not know if you have any more questions on this topic. If you do not, I would like to thank the foreign minister and presidential human rights commissioner for their presence here to answer the reporters' questions.

[Unidentified station announcer] We are broadcasting live from the Presidential Palace. Dr. Santamaria continues to speak.

[Moderator] [words indistinct] Raul Monge of Cadena Radio Sol.

[Monge] During the past decade, the FMLN [Farabundo Marti National Liberation Front] described the elections as an electoral farce. Do you believe, as a government, that the participation today of the FMLN in the electoral process, based on peace accords, is sincere? Do you believe the FMLN will let you govern if it fails to win the elections?

[Santamaria] Well, I think that the credibility and confidence in one's actions is generated by deeds, not words. However, this is the first time the FMLN has taken part in an elections process. All Salvadoran citizens are aware of this fact. If we base our opinion on words, particularly those from the FMLN's top leaders—namely, that they will respect the results, regardless of who wins; that their participation will strengthen the democratic process; and that this is the objective of the FMLN's political participation—then we would have to believe that we are witnessing a strengthening of democracy in El Salvador. This involves not only respecting election results, but also respecting government actions exercised by one person as part of the responsibilities of exercising the government. [sentence as heard]

We believe words must be accompanied by deeds. This is yet to be seen. I cannot give you any real opinions. Nevertheless, what we have heard is that the FMLN will respect the elections. In fact, this morning I heard an FMLN leader speak of accepting the results. He said the FMLN definitely wanted to return to civilian life, adding that overcoming the armed conflict was an irreversible reality. We hope that the FMLN keeps its word. [passage omitted]

[Moderator] Ismael Beltran from EL DIARIO DE HOY.

[Beltran] Good morning. Last week there were attacks during several political rallies. One deputy who was hit in the eye said political terrorism exists. What does the government plan to do to prevent this? Will it protect political rallies and motorcades?

[Santamaria] The cases that have occurred have affected some political organizations. The PCN [National Conciliation Party] is one of them. You remember that the PCN already reported an incident at a public rally in an outlying city. It has now happened to a mayoral candidate and his delegation, who were attacked in a San Salvador market. Another member of Arena [Nationalist Republican Alliance] was also attacked during a visit to Apopa municipality.

We are completely opposed to these actions, and we condemn such actions. This is really incompatible with what we are trying to promote. We are trying to promote the consolidation of the peace process and a culture of peace. This brings to mind what we have just done in this country. The behavior, attitude, and the way people act in these cases all contradict the peace process. Moreover, these things show that there exist people who still believe that the way to discuss the country's problems is through violence. If we have a political campaign and there are political opportunities to air our ideas, there is no reason why we should respond in the opposite manner and carry out violent actions. This is totally denounced, criticized, and condemned by the government.

The public security institutions must respond to all reports of such actions to guarantee the people's safety. We think that those political groups and sectors that are staging these types of actions to drive away or intimidate people... [pauses] because we think this is perhaps their aim, they want to intimidate people so that they will not go to public events to support their candidates. We think this must be publicly stated because, I repeat, such actions are not compatible with a dignified campaign, as Onusal has been requesting. Onusal has said the electoral process is admirable. At the same time some people are resorting to these low and dirty tricks of attacking candidates. We condemn these actions, and the government will adopt measures to provide the support that is requested from the public security institutions. It will enforce the law in those cases in which they must be enforced against those responsible for such actions.

Guatemala

Defense Minister Denies Role in Bridge Bombing

PA1003020494 Guatemala City SIGLO VEINTIUNO in Spanish 9 Mar 94 p 4

[Text] Yesterday, National Defense Minister Mario Rene Enriquez said a plan has been initiated to modernize the Army. He added that the plan was designed for 1991 to 2010 and it mainly focuses on the education sector. He said that starting this year the curriculum of all Polytechnic School graduates must include liberal arts classes. He explained that "no one will be able to take command or staff courses, meaning no one can be promoted to the rank of colonel without a bachelor's or master's degree in the field of liberal arts, for example, law, medicine, economy, or others."

When asked if a reduction was included in the Army modernization plan, he said some plans have been prepared for implementation when the counterinsurgency struggle ends. These plans deal with the relocation of Army units. He said more attention will be given to Peten to deal with issues like deforestation and the plunder of the country's archaeological heritage because it is necessary to maintain the country's sovereignty in an area where oil abounds. This is very important for the future. "Hopefully, we will reorganize the Army soon. Its members will be equitably distributed. This is an opportunity to change the quality of their lives and to achieve adequate technology for the Corps," he added.

Enriquez said he does not share Christian Tomuschat's views on the Army's size, adding that the country could easily have an 155,000-member Army if what was done in El Salvador is done here, given the country's size and its demography. He said that currently the Army has less than 45,000 members, meaning less than 0.05 percent of the population—10 million. Civilian patrols should not be included in the number because they do not earn a salary, they are not armed, and their essential role is to protect their children and towns.

Defense Minister Matio Enriquez said in response to the rebels' claims that the military might have perpetrated the attack on the San Juan Bridge, located on the Atlantic coast highway: "The only thing I can say is that I cannot conceive of anything as absurd as the URNG [Guatemalan National Revolutionary Unity] communique" on the San Juan Bridge attack.

He reiterated that the military had exerted an effort to restore traffic along that important highway; adding he does not believe law-abiding people are capable of perpetrating terrorist attacks like the most recent one. He also pointed out that the URNG admitted on several occasions it considers bridges, electric towers, or GUATEL [Guatemalan Telecommunications Enterprise] pylons as military targets. "I do not believe the military or any other Guatemalan group could created another terrorist faction because we are genuinely striving to achieve peace rather than to increase poverty and polarization," he added.

Referring to OAS statements on conscription, he said it must be indiscriminate because it is a service, a duty, and a right to serve the homeland. "I believe we will have no more problems as soon as the Military Service Bill, sent to Congress, is approved," he asserted. He said he personally signed the orders to all the commanders so the latest military enrollment would be voluntary.

Acting Minister on Plans To Prevent Violence

PA1003003094 Guatemala City Teleonce Television in Spanish 1900 GMT 9 Mar 94

[From the "Telepress" newscast]

[Text] Today, acting Government Minister Adolfo Reyes Calderon said the government is studying strategies to adopt in case there are threats of new riots in Guatemala. This statement by Reyes Calderon came one day after a government press communique quoted him delivering a strong warning to potential riot instigators, who reportedly have been acting within the framework of the state employees' strike movement. This statement also came at a time when the Army controls the town of Santa Lucia Cotzumalguapa, the site of violent riots on Tuesday, when the local police station was set on fire and many policemen were attacked.

The incidents resulted from speculation by the townspeople about a possible plot between policemen and members of a band of traffickers of children, to which Melissa Carol Larson, a North American, allegedly belongs. Yesterday Larson was in danger of being lynched.

Today, Reyes Calderon talked about the measures that could be adopted, in conjunction with the Attorney General's Office, to check threats to national stability.

[Begin recording] [Reyes Calderon] Highway Patrol cars and other state vehicles have been used. Some people have used state gasoline also and are not going to their jobs. They are [word indistinct]. For this reason, today, in compliance with the law, two pilots were arrested for misusing state funds. The attorney general was with us to see that the prosecutors take action in the upcoming trials.

[Unidentified reporter] [question indistinct]

[Reyes Calderon] No. I did not say that. Right now, six people are officially under arrest. They were arrested in Quezaltenango. Others are also under arrest. Late in the afternoon, a communique will be issued to report on all the people who were arrested. I have confirmation that six people were arrested but I have been informed that another 11 people were arrested in other places.

[Reporter] Where is the North American woman being held?

[Reyes Calderon] She is under arrest in Esquintla. Today, she will be transferred to Santa Teresa in Zone 18.

[Reporter] [words indistinct] the participation of the police?

[Reyes Calderon] This is a charge that was filed recently. The Professional Responsibilities Office [Oficina de Responsabilidad Profesional—ORP] is investigating. I was telling your fellow journalists a while ago that the administration of Ramiro de Leon Carpio is trying 210 agents for various crimes. If anyone is involved, we will act drastically and prosecute them in the courts.

[Reporter] It has been said that these people are trafficking human organs.

[Reyes Calderon] This is speculation. What happened is that there were two children in the morgue, and somebody spread the rumor and that is why the townspeople were enraged. There is no confirmed case of trafficking human organs in Guatemala.

[Reporter] [question indistinct]

[Reyes Calderon] According to Police Report 54.

[Reporter] [question indistinct]

[Reyes Calderon] Nine people were injured: four citizens and five policemen.

[Reporter] [question indistinct]

[Reyes Calderon] Yes, of course, with reinforcements. As you know, yesterday, the Army supported us, and this helped restore order.

[Reporter] What kind of sabotage was done yesterday and what kind of sabotage [words indistinct]?

[Reyes Calderon] Public buildings were seized; people were prevented from exercising their right to move around freely; border posts were closed; and public institutions were seized.

[Reporter] The Governor's Office was seized and the roads in and out of Zacapa were blocked. Did you send riot police?

[Reyes Calderon] We sent a police contingent. That is why the attorney general came. We discussed all the issues because some people are blocking the road to Agua Caliente. Honest people, businessmen, and people wanting to engage in commercial activities cannot work because people are blocking the road. We are going to respect human rights and ask them to leave but if they insist on blocking traffic, we will act firmly, as the law demands. [end recording]

Attorney General Telesforo Guerra Cahn met with the acting government minister to coordinate preventive actions in case of other riots. Guerra Cahn spoke about this matter following a meeting with acting Government Minister Reyes Calderon.

[Begin recording] [Guerra] Yesterday, we agreed with the government minister that his office would coordinate actions with the Attorney General's Office to avoid the public-disorder situations that are arising throughout the country. We as authorities cannot permit groups to act as they did in [words indistinct].

[Reporter] What measures will be adopted?

[Guerra] Preventive measures [words indistinct] and the Attorney General's Office will also participate. We will take legal actions against those who are arrested. [Words indistinct] investigate charges that the North American woman is involved in the trafficking of children because the neighbors have charged that there is trafficking in children's organs.

I do not want to speculate. Sometimes situations of conflict are created. I understand the woman is being held in the Esquintla women's prison. She cannot be released without a judge's order. Regarding your second question, we have no information that she is involved in any such activity. This was speculation yesterday and that is what causes mobs to carry out actions of violence. [words indistinct] set state property, including a police station, on fire, acted disorderly, carried out demonstrations, injured and pressured people. Some criminal activities were carried out. The judge must decide on this, but we are beginning procedures and our prosecutors have been brought [words indistinct]. Approximately 52 people are under arrest. [end recording]

Agreement Made To Suspend Mexican Migrant Laws

PA0903154794 Guatemala City SIGLO VEINTIUNO in Spanish 5 Mar 94 p 3

[Text] The Guatemalan Foreign Ministry officially announced that Guatemalan and Mexican delegations met yesterday at the National Palace and agreed to suspend, for an indefinite period, Mexico's restrictions affecting migrants on its territory.

The meeting, which began at 1100 and was attended by the delegates representing both countries, was presided over by Francisco Gil Diaz, Mexican undersecretary of finance and public credit, and Estuardo Mendez Herbruger, Guatemalan public finance vice minister. The delegations agreed that the suspension would enter into effect while the search would continue for a definite solution that is favorable to both countries.

On 24 January, the Mexican finance authorities implemented measures directly affecting Guatemalan and Central American migrants travelling from the United States and crossing Mexico carrying goods and other commodities. Both delegations agreed on a study to harmonize timetables along the common border in order to prevent bottlenecks in those areas, as well as technical cooperation between customs authorities with the objective of solving any problems that may rise.

Mendez Herbruger stated that both delegations plan to search for convenient procedures whereby those who need to cross Mexican territory will be able to do so without any delays caused by Mexican custom regulations. He indicated that Guatemala is evaluating a Mexican proposal because the Mexicans reacted to comments forwarded by the Guatemalan authorities, who in turn received feedback from the migrants. Therefore, they are all working to benefit Central American citizens.

On the other hand, Mexican Ambassador Pedro Vasquez Colmenares expressed satisfaction with the dialogue that had been held and announced that the Mexican authorities had met and exchanged opinions with the Salvadoran, Nicaraguan, and Costa Rican customs directors at the Central American Integration Secretariat.

Government Employees Reject Wage-Increase Offer

PA0903132894 Panama City ACAN in Spanish 1957 GMT 7 Mar 94

[Text] Guatemala City, 7 Mar (ACAN-EFE)—The National Federation of Public Employees Unions (FENASEP) of Guatemala rejected today, Monday, the 70-quetzal ($12) wage increase and the yearly bonus proposed by the government of President Ramiro de Leon Carpio. FENASEP Secretary Felix Hernandez asserted that his organization, which includes approximately 40,000 public employees, cannot accept the increase offered by the economic cabinet because it does not fulfill the people's expectations.

FENASEP does not support the strikes' being held by 180,000 public employees and has directly negotiated wage adjustments with the government. However, Hernandez reiterated today that they have not managed to reach any agreement with the ministers. "We cannot accept" the increase offered by the president not only because it does not satisfy the needs of the workers but because merchants would take advantage of such an increase and hike product prices by more than the increase, he stated. Hernandez, who has been charged with being a "traitor" by his striking union colleagues, said that this Tuesday FENASEP will announce the measures it will take and did not reject the call to strike if the government does not improve its offer, which also includes a yearly bonus of 260 quetzales ($44.80).

Meanwhile, the State Workers Unitary Organization (UITE) [Instancia Unitaria de Trabajadores del Estado] that has semiparalyzed public administration as a pressure mechanism to get a 40-percent wage hike, asserted that the labor strike initiated five weeks ago will continue. The UITE and the National Federation of State Workers Unions (FENASTEG) have also rejected the increase, although they admit that their demand for a 40-percent increase is negotiable.

Nicaragua

Former Soldiers Seize UN Headquarters in Managua

PA1003043294 Managua Sistema Nacional de Television Network in Spanish 0200 GMT 10 Mar 94

[From the "National Newscast"]

[Text] In an inflexible attitude and rejecting talks to study their demands which have been proposed by the government, a small group of former Government Ministry soldiers have carried out coercive pressure at the UN headquarters. The government has decided to discontinue discussing their demands until they stop the pressure. The government will enforce the state of law and guarantee the country's institutionalization.

The Government Ministry was scheduled to meet with this group, and Minister Alfredo Mendieta, who has been sick for the past three days, authorized a ministry delegation, including deputy ministers, to meet with the group. At first, however, the protesters stubbornly refused to hold the meeting, demanding Minister Mendieta attend the meeting.

This same group has occupied the Managua Cathedral twice before. They also tried to ruin the awards ceremony when Salvadoran President Alfredo Cristiani visited our country recently.

The government delegation talked to representatives of the Nicaraguan Human Rights Center to persuade it to convince the protesters to change their minds regarding their demands that the minister be present at the meeting. The protesters agreed but, at the same time, a small group of protesters began exerting pressure at the UN headquarters. The government decided not to continue talking to them until they stop exerting pressure at the UN headquarters. The Government Ministry reiterates its willingness to advance the state of law and guarantee the democratic development of the country's institutionalization.

[Panama City ACAN in Spanish at 0029 GMT on 10 Mar 94 cites Managua radio stations as reporting that "at least 50 former Sandinist soldiers occupied today, Wednesday, the building where the UN headquarters is located in Nicaragua to pressure Violeta Chamorro's government to compensate them for retiring to civilian life." ACAN adds that according to media sources, the former soldiers "are holding Francesco Vincenti, UN representative in Nicaragua, at the UN installation," and they want him to mediate to get the Nicaraguan Government to accept their demands. The report adds: "A riot police contingent has cordoned off the UN building, located near Plaza Espana, in the southwestern part of Managua."]

Leave UN Offices To Negotiate Demands

PA1003130794 Managua Radio Nicaragua Network in Spanish 1200 GMT 10 Mar 94

[From the "This Morning" newscast]

[Text] A group of former Government Ministry soldiers occupied the UN offices in Nicaragua for several hours yesterday afternoon and evening. Hours after the seizure of the UN offices, during which 10 officials were held captive, the former soldiers went to the Government Ministry to begin negotiating their demands with Deputy Ministers Joaquin Lovo and Frank Cesar Reyes. The former soldiers, who arrived with their faces covered with red handkerchiefs, were led by Marvin Miranda. They demanded prompt compensation for their years of service during the former Sandinist regime.

Panama

PRD Asks PDC To Explain La Chorrera 'Incidents'

PA0903205294 Panama City Telemetro Television Network in Spanish 1730 GMT 9 Mar 94

[From the "Telemetro Reports" newscast]

[Text] The Democratic Revolutionary Party [PRD] has apologized to the Christian Democratic Party [PDC] for the incidents of aggression against the latter in La Chorrera. The PRD leaders said they will submit to the investigations by the Justice and Peace Commission, and, if the accusations turn out to be true, they are going to take the appropriate measures. The PDC members directly accuse Mr. Harmodio Estribi of being the promoter of these aggressions. Mitchell Doens, secretary general of the PRD, said that in his talks with Estribi, he

concludes there were in fact attacks on the PDC in La Chorrera but not to the extent denounced by the PDC.

[Begin recording] [Doens] Estribi publicly asked the PDC for explanations of the incidents that took place. He asked for explanations of the flag incidents. Certain flags were grabbed and the like. We have instructed him to talk to the PDC leaders in La Chorrera to clear up these incidents and prevent them from reoccurring in the future. Those are the instructions we gave companero Harmodio Estribi.

[Unidentified reporter] So an incident did in fact occur.

[Doens] There was an incident, there was some pushing and shoving when the motorcade went by. The people who were present shouted a few things at each other, and as a result flags were suddenly grabbed. I insist that the incidents are being exaggerated to the point that some published media seem to be in collusion to do this. [end recording]

Argentina

Economy Minister Announces Economic Measures

PY1003002594 Buenos Aires LA PRENSA in Spanish 27 Feb 94 p 3

[Text] Throughout an extensive interview granted to LA PRENSA, Economy Minister Domingo Cavallo announced a number of measures that will be implemented within the next few days:

—Special Mortgage Bonds, with longer repayment and grace periods than those established for Rural Mortgage Bonds, will be implemented for the regional economies that have crops (plantations) or have to transform their farming operations and require two or three years before harvesting their new crops. Cavallo pointed out: "For example, this will help transform fruit and vegetable production in the Rio Negro valley, northern Santa Fe Province, entire sectors of northwest Argentina, and irrigated areas where it is necessary to produce goods more in keeping with what the world demands today."

—Cavallo noted: "We will encourage a mechanism linking the foreign trade chain selling the products with industrialization and production in Argentina. Therefore, when planting, harvesting, and industrialization is complete in Argentina, there will be an awareness that these products will actually be sold abroad, that a good price will be collected, and not that we have a product that we do not know to whom it will be sold and must then be raffled off."

—There will be measures in the automotive industry system "that do not represent any change, but will actually clarify what will happen if there is no compensation between exports and imports as established by the system for 31 December 1993."

—Certain "improvements in the system of capital goods and local production of capital goods" will be announced. The information on the current mechanisms for the manufacturing industry, agriculture, livestock, and fishing will be expanded so as "to facilitate the implementation of more appropriate technologies and better product design by small and medium-size companies in order to enhance quality controls."

—A number of deregulation measures that "will allow a 20- to 25-percent cost reduction in construction" will be announced along with a "drastic reduction in employers' contributions" that will probably reach the construction industry as of 1 April and "after the large provinces issue their laws indicating the dates for reducing gross incomes." Cavallo noted: "It especially represents a reduction in construction costs for low-cost housing that will benefit the entire industry." He hopes for "a strong expansion of construction activities that will contribute to reducing unemployment and maintaining a dynamic economic growth rate within the next few years."

Opening, Deregulation of Financial Markets Opposed

94P20470A

[Editorial Report] Buenos Aires LA PRENSA in Spanish on 24 February published on page 5 a 900-word report on the reaction of the Argentine banking sector to government decree No. 146 eliminating restrictions on foreign banks in Argentina. Declaring itself "on a war footing" over the new decree, the Association of Argentine Banks (Adeba) criticized the measure, which opens up financial markets in Argentina and eliminates the "principle of reciprocity." The association also prepared a document urging the government to "reevaluate" the 21 February decree. Adeba head Eduardo Escassany warned that an increase in banks in Argentina would not cause interest rates to drop. He asserted that "even though, in practice, reciprocity has never been enforced," Argentina has just lost a "bargaining chip" for negotiating on world markets. Former Central Bank President Javier Gonzalez Fraga deemed the measure "unnecessary" and "counterproductive," adding that globalization of the economy should be a "two-way street."

Ex-Guerrillas Arrested in $1.8 Million Theft

PY1003013194 Buenos Aires BUENOS AIRES HERALD in English 9 Mar 94 p 11

[From the "Argentina in Brief" section]

[Text] (DYN-NA)—New Buenos Aires province Security Secretary Alberto Piotti confirmed to Radio Continental yesterday that among the 11 men arrested in connection with the robbery of 1.8 million dollars from an armoured truck a week ago Monday [28 February] in General Rodriguez were a former member of the People's Revolutionary Army (ERP), a former Montonero guerrilla and two noncommissioned officers who participated in the 1987 Holy Week carapintada uprising. Neither Piotti nor Judge Cesar Lagos released their names because the investigation is still under way. Unofficial sources said that one of the gang's leaders was Miguel Angel Lopez, a member of the Federal Police's narcotics division, and that police have also arrested a driver and a security guard employed by the company that owned the truck, Tab-Torres. The gang also reportedly includes two deputy police inspectors and two other non-commissioned Army officers. Although a large array of weapons—including an English Stirling—was on display during a press conference given by Lagos Piotti denied that the gang possessed police vehicles.

Bolivia

President Views 'Rapprochement' With Chile

PY0903174794 La Paz PRESENCIA in Spanish 25 Feb 94 p 5

[Text] Cochabamba, 24 Feb—President Gonzalo Sanchez de Lozada, commenting on the "rapprochement" with Chile, stated here today that "diplomatic

relations are not resumed based on conditions; conditions are not established for this."

He added: "It is when one sees that the Chilean people, the Bolivian people, have experienced a true change in mentality that there is true acceptance, that there is hope for negotiations. Many people in Bolivia maintain that we must not resume relations until we establish conditions, but this leads nowhere. What one has to see is the moment in which the Chilean people, the Bolivian people, are willing to start true talks, negotiations, and thus work toward a first meeting."

Sanchez de Lozada said that "things are changing rapidly," as are the countries, and therefore this is "a subject that requires, as I have stated before, audacity and prudence."

The chief of state insisted that the subject must be handled "seriously" because "domestic policy is one thing, and international policy another." "There was a feeling that if I attended this presidential inauguration [Chilean President-elect Eduardo Frei's inauguration on 11 March] it would be a sort of acknowledgement, a tacit resumption of diplomatic relations. I think there are chances that this will happen at some point, but I still do not have a deadline nor a date set for restoring relations. We will see what happens with time, but we thought this was not the appropriate moment. But neither was it a matter of turning the invitation down, so we thought the best solution would be to send someone close to me who at the same time did not belong to the government, and I think we have come up with an imaginative solution."

However, consulted about the significance to Bolivia of the landlocked subject, he said: "Well, the sea problem has existed for more than 100 years, and we are not going to solve it with my wife's visit, but it represents a rapprochement. It is very hard to hold a dialogue with someone with whom you have no relations. You must talk to reach an understanding. We believe this was the adequate solution, and a step forward."

Sanchez de Lozada referred to the invitation extended to him by Chilean President Patricio Aylwin, which he termed "important." The president ended by stating: "This is how one starts a rapprochement, trying to find the right moment for this rapprochement process so it can result in something concrete and to the benefit of the Bolivian people."

Brazil

Ambassador Protests U.S. Human Rights Criticism

PY1003011694 Rio de Janeiro O GLOBO in Portuguese 9 Mar 94 p 8

[Article by Deborah Berlinck]

[Excerpts] Geneva—"Neglect" and "savagery" were the terms used by the United States to once again report the situation of poverty and the killing of children in Brazil. Before a plenary packed with diplomats from almost 100 countries who are participating in the UN Human Rights Commission's annual meeting, U.S. representative Vivian Derryck startled Brazilian diplomats by saying that "in Brazil, street children search through litter to find food and sometimes are hunted for sport." [passage omitted]

Caught by surprise by the criticism leveled by the U.S. delegation, the Brazilian delegation immediately delivered a lukewarm speech prepared the day before. In its speech, the Brazilian delegation again asked the international community for enhanced efforts to offer technical cooperation and other methods of assistance to those countries requiring assistance. Two pages of the Brazilian delegation's speech were dedicated to the Brazilian Government's successes, ranging from the eradication of poliomielitis "in three years" to the campaign against hunger devised by sociologist Herbert de Souza, alias Betinho.

Brazil's official response to the hard overtones of the criticism leveled by the U.S. delegation during the UN Human Rights Commission's annual meeting came at the end of the meeting through a passionate protest speech delivered by Brazilian Ambassador Gilberto Saboia. Following is the ambassador's speech:

"Exercising its right to a response, the Brazilian delegation wants to express its surprise over and disagreement with the remarks on Brazil made by the U.S. delegation.

"To mention Brazil as a country that deliberately neglects children not only represents a false argument vis-a-vis the facts, but also contradicts the opinion voiced by UNICEF and other international authorities in this field. The Brazilian delegation is ready to furnish the U.S. delegation a copy of a report the Brazilian delegation distributed among nongovernmental organizations and UN Human Rights Commission countries, describing in detail the actions and programs implemented in Brazil in favor of children.

"The allegation that children in Brazil are "hunted for sport" is totally unacceptable and demonstrates the U.S. delegation's lack of objectivity and lack of information on our country's reality. In addition, as demonstrated by the 1994 UNICEF report, we note that the United States does not have the required authority in this field to use this peremptory and disqualifying language with regard to other countries.

"As UNICEF Executive Director James Grant said recently, 20 children are shot to death in the United States of America every day and the situation of children from minorities such as Afro-Americans and Hispanics is comparable to the situation of some underdeveloped countries."

Acting Minister Says Criticism 'Senseless'

PY1003020294 Madrid EFE in Spanish 1845 GMT 9 Mar 94

[Text] Brasilia, 9 Mar (EFE)—Acting Brazilian Foreign Minister Roberto Abdenur today protested the harsh

U.S. criticism of Brazil before the UN Human Rights Commission over the killing of a large number of abandoned children.

Foreign Ministry sources said Abdenur used the occasion of a meeting with Mark Lora, the U.S. charge d'affaires in Brasilia, to express the Brazilian Government's "displeasure" over the U.S. criticism.

The acting Brazilian foreign minister pointed out that the language used by the U.S. delegation in Geneva to discuss the situation of abandoned minors in Brazil was "senseless, improper, inopportune, and unfair."

Vivian Derryck, the U.S. representative to the UN Human Rights Commission, accused the Brazilian Government on 8 March in Geneva of committing "savagery" concerning the abandoned minors.

According to local humanitarian organizations, an average of four abandoned minors are killed in Brazil every day.

Abdenur and Lora also discussed the meeting's original purpose, namely drawing up the agenda for a visit U.S. Vice President Albert Gore will pay to Brasilia on 21 March, the last leg of a tour that also will take him to Buenos Aires and La Paz.

In the Brazilian capital, Gore will meet the president of the Republic, Itamar Franco, with whom he will discuss bilateral relations and a projected hemispheric summit the United States plans to stage in its territory at an as-yet-undetermined date this year.

U.S. Reaction to Stabilization Program Examined

PY0803195794 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 6 Mar 94 p B4

[Article by correspondent Paulo Sotero in Washington, D.C.]

[Text] The talk took place at OAS headquarters during the evening of 3 March, during a farewell cocktail party in honor of Brazilian Ambassador to the OAS Bernardo Pericas. Encouraged by the Mexican Government's decision to speed up its political reforms, and by the possible success of the FHC2 [Fernando Henrique Cardoso 2] program, a high-ranking White House adviser for Latin American affairs shared the splendid scenario that he had in mind with two Brazilians.

"We could have—in a matter of months—democracy in Mexico and the stabilization of the Brazilian economy under way," he said. He could have added that the two major stumbling blocks for Washington's integration policy in the hemisphere would thus be overcome. Brazil is perhaps likely to curb inflation sooner than a Mexico under President Carlos Salinas de Gortari becomes a democratic state. The government's opponents in Brazil, at least, do not have hide their identities behind masks when they negotiate with authorities, as is the case with the Indians from Chiapas who rose in revolt.

In any case, one of the Brazilians who took part in this conversation—a senior Brazilian representative before the OAS—took up Clinton's aide on that point, in order to reiterate the importance of U.S. support for the Brazilian economic program. "Whoever opposes an agreement between Brazil and the IMF will be responsible for a great harm inflicted not only upon Brazil, but upon the international financial system as well," he said.

This utterance hints at two things. First, one can hardly expect that the gap between the economic team's estimates and those of the IMF, as far as the budget is concerned, will be bridged with a calculator. Once again, the IMF management and the governments from the seven most powerful industrial countries, which are in control of the majority of votes at the IMF executive board, will have to make a political gamble and approve a stand-by arrangement with Brazil.

IMF Managing Director Michel Camdessus got his fingers burned the last two times he adopted a receptive stance on the Brazilian program. He has already told Cardoso that unless he is convinced of the soundness and political feasibility of the FHC2 plan he will not put the IMF's credibility in jeopardy.

The second hint included in the Brazilian official's remark to Clinton's aide is a warning: If the IMF and the U.S. Government refuse to support Brazil's current economic policy, they will make the country embark upon a path that is opposite to that of stabilization, and will for all practical purposes line up the voters in support of Luiz Inacio Lula da Silva's presidential candidacy.

The decisive step in the negotiations with the IMF started on 4 March. Based on the results of the technical evaluation by the IMF mission to Brazil and on an analysis of Brazilian political situation, Camdessus will have to decide whether he endorses the Brazilian economic program. He must reach a decision by next weekend so that Brazil can then work out an agreement with creditor banks by 15 April.

Washington's skepticism toward the Brazilian economic program was broken last week by economist Albert Fishlow, a Brazilian scholar at the University of California, Berkeley. A pessimist in his analysis of Brazilian business cycles, Fishlow accurately forecast the failure of several Brazilian attempts to curb inflation since the Cruzado Plan in 1986.

On 4 March, however, he surprised an audience comprised of the upper echelons of the U.S. Government, high-ranking members of international organizations, and Latin American experts from leading Washington "think tanks" when stating that "the new stabilization program will probably be a complete success." Addressing a seminar on the economic integration of the Americas sponsored by the Inter-American Dialogue, Fishlow gave three reasons for his optimistic forecast. The first was that unlike previous programs, the current one is based on a strong fiscal policy.

The high level of foreign exchange reserves that the country has gives the government plenty of leeway. Finally, the economist noted that the program is politically coherent, as it may catapult Cardoso into the presidency. Clinton's aide—who was present at this seminar—did not seem to be very much convinced. "Fishlow's friendship with Cardoso may have impaired the former's prowess at analysis," he said. And yet he arrived at the OAS cocktail some hours later dreaming about the idea that Brazil would stabilize its economy and that Mexico would become a democratic country "in a matter of months."

Permanent Seat on UN Security Council 'Priority'

PY0903203394 Sao Paulo GAZETA MERCANTIL in Portuguese 7 Mar 94 pp 1, 3

[Article by Maria Helena Tachinardi de La Guaird]

[Text] An Itamaraty source reported that Brazilian foreign policy's political priority is to obtain a permanent seat on the UN Security Council. The government is negotiating a virtual Brazilian candidacy—parallel to the candidacy of countries such as India, Japan, and Germany—but keeping in sight that "the regional component is the most sensitive one."

Venezuelan Foreign Ministry sources told this newspaper that they are only supporting the Japanese and German candidacies for the new permanent seats that may be created in the UN Security Council. So far, Brazil is not a Venezuelan Foreign Ministry favorite.

Argentina, the main Brazilian partner in the region, prefers to support Japan instead of favoring the Brazilian aspiration.

The issue, however, requires that diplomats be careful not to offend partner countries. Foreign Minister Celso Amorim does not want to comment on the Argentine position. He only notes that the issue was "frankly" discussed during his meeting with Argentine Defense Minister Oscar Camilion in Brasilia a few days ago. Amorim added: "Camilion said the issue must be dealt with carefully because it is not ripe and this is understandable. We are trying to talk matters over and reach understandings."

According to the minister, the ideal thing would be not to have permanent UN Security Council members. "In the world, however, there are five countries (the United States, France, the PRC, Russia, and England) that will not give up being permanent members. The world has changed. The council will have to be expanded. Brazil believes this expansion will not increase the current imbalances and does not want to see only certain types of countries receiving privileges. This would not be good for the Security Council," Amorim says.

According to the foreign minister, the adoption of similar positions by Latin American countries that will be represented by Brazil in the UN Security Council—Brazil's name has been raised by the UN secretary general, and "whenever the issue is discussed, its name crops up naturally"— may, however, run into difficulties, particularly regarding Argentina.

There is still some animosity in the region about eventual Brazilian hegemonic attitudes. A diplomatic source explained to this newspaper: "The issue lies in how our neighbors will take the idea." The Foreign Ministry's assessment, however, is that during the second stage, when discussions for expanding the number of UN Security Council members reaches the point of defining these new members, Argentina will support Brazil's candidacy.

The idea of expanding the UN Security Council was raised two years ago and is supported by the United States, which even accepts the inclusion of more than five members without veto power. The voting is scheduled to be held during the 1995 UN General Assembly that will be attended by 184 UN members. But Article 108 of the UN Charter establishes that all Security Council decisions must be approved at the national level by each of the five permanent UN Security Council members that can block the decision.

Brazil hopes to have the support of all five member countries. Moreover, as Foreign Minister Celso Amorim informed this newspaper on 4 March, Brazilian diplomacy does not hide its satisfaction at receiving a letter a few days ago from U.S. Secretary of State Warren Christopher praising Brazil's participation in the discussions on the former Yugoslavia. Amorim noted that Ronaldo Sardenberg, the Brazilian ambassador to the United Nations, heads the Security Council's Sanctions Committee. Brazil, like Argentina, has been participating in the council for a two-year period as a rotating member.

According to Ambassador Jose Viegas Filho, under secretary of the Foreign Ministry Political Planning Department, the General Assembly has established a working group that already has held two sessions. The UN Security Council's expansion aims to reduce regional imbalance. Except for China, the five members with veto power are almost all developed countries. There are no representatives from Latin America, Asia, the Middle East, or Africa.

Brazilian diplomacy has been working on several fronts to spread the image that Brazil is a reliable country and "a center of stability" in the region, where it shares borders with 10 countries and has no disputes. A Foreign Ministry source said: "Brazilian nuclear policy today is viewed as reliable and no country is asking us to sign the Nuclear Nonproliferation Treaty." Last week, President Itamar Franco promulgated the nuclear safeguard treaty signed by Brazil, Argentina, the Brazilian-Argentine Agency for Accounting and Control (ABACC), and the International Atomic Energy Agency (IAEA) that was approved by Congress.

Brazil also has signed the treaty proscribing weapons of mass destruction such as chemical and biological weapons, and actively participated in drafting new amendments to the Tlatelolco Treaty on the denuclearization of Latin America and the Caribbean, but the Senate has yet to approve it. In 1993, Brazil headed the Vienna Conference on Human Rights.

Although the foreign minister alleges that "Brazil cannot nominate itself," and that its name was mentioned because of its size and importance—"Brazil has a face turned to Africa; it shares borders with many Latin American countries, and it has a tradition of the peaceful solution of controversies" —Brazilian diplomatic circles believe that "its upholding of Western diplomatic values and understanding of the problems affecting other developing countries" are a plus in favor of Brazil.

Judge: Party Receives 'Illegal Money' From Italy

PY1003125194 Rio de Janeiro O GLOBO in Portuguese 9 Mar 94 p 3

[By Eduardo Tessler]

[Text] Rome—Judge Antonio Carlos Amorim, president of the Rio de Janeiro Court, yesterday said that a Brazilian political party is being financed with "illegal money" from Italy. Without specifying the party, the judge said that it is one of the favorite parties for the October elections. In this regard he asked for help from his Italian colleagues to investigate the trafficking in money and, if possible, to stop it.

Says Amorim: "Our main concern is that this party could gain power in Brazil financed with money produced by illegal activities in Italy. This poses a risk for Brazil, which could be governed by a party of illegal deals, of illegal money."

He added: "I do not know the origin of the money, whether it originates with the mafia or with drug trafficking. The information was leaked, and I only confirmed it." He was referring to an Italian television report that the party is being financed by the mafia and by drug trafficking.

Amorim met yesterday with Rome District Attorney Vittorio Mele and with the group of Italian judges who visited Brazil last year to investigate Brazilian links with the Italian corruption network: Vittorio Paraggio, Maria Teresa Saragnano, and Mario Almerighi. He also met with Justice Minister Giovanni Conso. Amorim passed secret information to the judges on investments by Italians in Brazil made with money coming from illegal sources.

He said: "Whoever finances a party abroad, investing cash, does it because he expects a major economic return in the future. In my capacity as a judge I cannot identify the party, despite the fact that everyone in Brazil knows which party it is. It is a party with strong candidates for the October elections, and which wants to gain power."

Amorim also met with Giovanni Galloni, the vice president of the Superior Council of Magistrates, with whom he exchanged views on the work of the courts in the two countries. In the opinion of Amorim, the Brazilian judicial branch is the only institution without indications of corruption.

Finance Minister Places Third in Recent Poll

PY0903141294 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 6 Mar 94 p A3

[Article by Ana Maria Tahan]

[Text] Finance Minister Fernando Henrique Cardoso of the PSDB [Brazilian Social Democracy Party] appears as the third most favored candidate for the presidency of the Republic, behind Luiz Inacio Lula da Silva of the Workers Party [PT] and possible PPR [Progressive Renewal Party] candidate Mayor Paulo Maluf. Cardoso is followed by former Governor Orestes Quercia (PMDB) [Brazilian Democratic Movement Party], Bahia Governor Antonio Carlos Magalhaes (PFL) [Liberal Front Party], and Rio de Janeiro Governor Leonel Brizola. The Gallup poll, conducted at O ESTADO's request in February—and thus before the creation of the URV [real value unit] was announced—which interviewed 2,566 people in 21 states, reveals that Lula enjoys 30.9 percent of the electoral preference, Maluf 12.6 percent, and Fernando Henrique 10.3 percent.

Gallup interviewed electors from 220 municipal districts, and found out that Quercia is the fourth most favored candidate, with 7.4 percent of the electoral preference, Magalhaes fifth with 6.9 percent, while Brizola obtained 5.9 percent of the votes, if the first round of elections were to be held between 1 and 18 February, which is when the poll was conducted. Gallup Director Carlos Matheus commented that "the probe was carried out before the economic plan was announced, and therefore before Fernando Henrique Cardoso received repeated media exposure."

The figures reveal that Lula is the favorite candidate for all social classes, all age groups, and for electors of various educational levels. But Cardoso closely follows Lula in the electoral preference of class A electors with 25.4 percent of the electoral preference, while Lula has 28.3 percent. He also follows his possible adversary closely in the choice of electors with higher educational levels, who give Cardoso 25.3 percent of the votes and Lula 30.2 percent. As is the case for the PT candidate, Maluf supporters are also evenly divided between social classes, age groups, and educational levels.

Out of the 21 polled states, the PT candidate enjoys most support in the northwestern region, where he would obtain 36 percent of the votes, and less in the south and the north-center-eastern region, with 28 percent. Maluf has more support in the south (15 percent) and less in the northeastern region (7 percent). Cardoso enjoys most support in the southwestern region, with 14 percent, and less in the south with 5 percent, which is where Leonel

Brizola—who was born in Porto Alegre 0nd was former governor of this state—has his best performance with 13 percent of the votes. Magalhaes enjoys most support in the northwest (23 percent) and less support in the south and the north-center-eastern region (2 percent). Quercia enjoys 9 percent of the northeastern votes and 7 percent of the southwestern and southern region votes.

PSDB President Views Presidential Race

PY0903191794 Rio de Janeiro O GLOBO in Portuguese 6 Mar 94 p 3

[Interview with Tasso Jereissati, the president of the Brazilian Social Democracy Party—PSDB—by Leticia Lins, in Fortaleza; date not given]

[Excerpts] [Lins] Do you think Finance Minister Fernando Henrique Cardoso is comfortable after launching the stabilization plan? If the measures are successful he will be considered a hero; if they are boycotted by Congress, however, he cannot be held responsible for their failure.

[Jereissati] On the contrary, his position is very difficult. He is completely involved and very much imbued in the Economic Stabilization Plan. He is a man of great historical perception and understands that he is on the brink of the historic possibility of solidly solving the inflation problem. He gained credit before the country as the man capable of crafting the great commitment that has been needed for years, a commitment that is known in many ways; the national pact, conciliation, etc. Thus Cardoso's decision to stay or leave is not easy.

[Lins] Not long ago it was said that you, as president of the PSDB, would run as vice presidential candidate to PT [Workers Party] candidate Lula's [Luis Ignacio da Silva] presidential bid. Are the negotiations over?

[Jereissati] The PT has a social democratic group, which is currently one of the most interesting political factions in the country. This faction is not the majority in its party. This was demonstrated during the last internal elections for PT regional executive boards. Lula is hostage of the rest of the party. Furthermore, the PT and the PSDB have different platforms. Although we have some points in common with Lula, unfortunately he is disavowed by his own party.

[Lins] Are there no more negotiations with the PT?

[Jereissati] The talks were hampered. Apart from the different platforms of our parties, we are unable to agree with the harsh criticisms by Lula of the Economic Stabilization Plan. Since our alliances are discussed around programs and objectives and not around names, our differences prevent a greater understanding.

[Lins] But Lula has demanded an alliance and accuses your party of being indecisive. Has the PSDB decided that it will not share a ticket with the PT?

[Jereissati] We are not indecisive. We are constant. We agree regarding a Parliamentarian government system, opening the economy, state reform, and privatization. The points that are constantly being changed are those upheld by the PT.

[Lins] Does this mean that the PSDB will run its own candidate?

[Jereissati] The party has already decided that. We are ready for the race, and it is currently very clear that the best candidate profile is a PSDB member.

[Lins] With the success of the Economic Stabilization Plan, will that PSDB candidate be Minister Fernando Henrique Cardoso?

[Jereissati] If I said I would pull him out of his ministry I did not say so only as party president, but in face of a political fact. If there is one point on which everyone agrees in this country it is that the problem of Brazil is not economic but political. The political problem is the lack of a great national commitment in Brazil, capable of implementing a change. Fernando Henrique Cardoso did exactly that: he compromised several sectors of Brazilian society around a common objective, which is stabilization. Since the moment he attained that, and after proving his political competence, he earned the reputation of being the only man capable of negotiating this highly desired national commitment without making demagogic promises and without posing as a savior of the nation. He has his feet firmly on the ground, he does not pretend to be messianic, and offers realistic proposals.

[Lins] So the Economic Stabilization Plan has made him a stronger candidate?

[Jereissati] Society will clearly see the benefits and in 30 days everyone will see that he who negotiated a great national commitment must not remain stuck in a smaller project on account of calendar deadlines: Not only can he, but he must, launch himself on a more important project.

[Lins] Like that, with what parties would you form alliances?

[Jereissati] We want alliances because we are clearly aware of the size of our party. There could be an impasse if we win the elections but we lack majority in Congress. This is why we must agree upon a government program to guarantee governability and to finish with the endless exchange of favors and political patronage to get executive branch initiatives approved in Congress.

[Lins] Then, with which parties will you talk? With the PMDB [Brazilian Democratic Movement Party], the PFL [Liberal Front Party], or with some PT sectors?

[Jereissati] The coalition we dream of is with the PFL and the PMDB. It may seem strange but that is happening in the rest of the world. Without seeming presumptuous, the world is becoming social democratic.

First we will establish the name of our candidate and then we will begin talks. We began talks with the PT. But now we must concentrate the best of our party with the best of the PFL and the PMDB. We can unite our ideas around a government program, we are open to support.

[Lins] What did you think of the Bahia PSDB note criticizing an attempt to establish an alliance with the PFL?

[Jereissati] Any alliance suffers regional resistance and this is exactly what is happening with Bahia. We do not fear the idea of distorting our convictions because of the candidates. We have a tradition of opposing when it was necessary but ours has always been a coherent opposition based on high principles. One can no longer engage in politics pressured by ideological commitments. I do not fear the calling-in of favors because I never occupied government-designated posts and have participated in the great movements such as the movement for direct elections.

[Lins] On the subject of an alliance with the PFL, Deputy Luiz Eduardo Magalhaes is mentioned as a vice presidential candidate in a ticket headed by the PSDB...

[Jereissati] He is a good candidate, but there has been nothing definite yet. There has been no talks regarding names. I can tell you that the PFL is supporting us in Congress regarding the Economic Stabilization Plan.

[Lins] Do these discussions jeopardize the constitutional reform process?

[Jereissati] Quite the contrary. The electoral atmosphere jeopardizes it far more. The plan seeks to speed up the reform, it pushes the reform forward. [passage omitted]

[Lins] Are you candidate for the Ceara State governorship, for the Senate, or will you run as the possible replacement for the finance minister?

[Jereissati] I intend to run for a seat in the Senate. For the moment I do not plan to return to the Ceara government but I have not fully ruled out this possibility. As for aspiring to replace the finance minister, that is mere speculation by the media. No one has asked me about this subject.

[Lins] Are you in favor of the reelection of governors?

[Jereissati] I have my doubts. It is not good to hold a post for long because power is nasty and tends to ruin people. On the other hand, three or four years are not long enough for someone who has a serious government program to implement.

[Lins] Were you surprised by the Northeastern politicians' veto on the name of Senator Beni Varas for the Regional Integration Ministry?

[Jereissati] It is regrettable that we are still influenced by political patronage, by petty and retrograde politics of certain Northeastern leaderships interested in maintaining that region in its current situation. That mentality not only exists in the Northeastern region, it exists throughout the country. Brazil needs statists, not men with limited and electoral objectives. This is why I believe our economic growth can take a huge and qualitative step forward with Fernando Henrique Cardoso. Individualism belongs to the past. We will work for the community and promote the State reform Brazil needs.

Police Arrest Yakuza Mafia Boss Wanted in Japan

PY1003125394 Rio de Janeiro O GLOBO in Portuguese 9 Mar 94 p 9

[Text] Sao Paulo—Hitoshi Tanabe, 32, one of the most wanted members of the Japanese mafia (Yakuza), was arrested on 7 March on a warrant issued by the Brazilian Supreme Court at the request of the Japanese Government. Tanabe is the leader of Dinshoukai, a faction of Yamaguchi-gumi, one of the main mafia organizations in Japan. The Federal Police [PF] arrested him in Londrina, Parana State.

Police officer Itanor Neves Carneiro said: There are strong indications that there are other Yakuza members in the country.

The PF suspect that Tanabe came to Brazil to run an international drug trafficking ring and to send Brazilian women to Japan to work as prostitutes. The extradition request was based on the seizure of 5.8 kg of cocaine in the Japanese city of Shizuoka in February 1993. It was the fifth largest seizure of cocaine in Japan, an amount worth $4 million in Japan and $90,000 in Brazil. At that time trafficker Takahiro Shiba confessed to the Japanese police that the cocaine had come from Brazil, and that it belonged to Tanabe.

Like most Yakuza members, Tanabe has tattoos on his body from his chest down to his ankles. Upon his transfer to Sao Paulo, Tanabe confirmed that he is a ranking member of Yamaguchi-gumi, but declined to give details. Nor did he want to explain why one digit of the little finger on his left hand had been severed.

Tanabe has a daughter born in Brazil—Mary, 10 months old—and was living with her and his Japanese wife, Kiyomi, in Brazil.

Tasks of Brazilian-Venezuelan Commission Viewed

PY0903152794 Sao Paulo GAZETA MERCANTIL in Portuguese 7 Mar 94 p 3

[Article by Maria Helena Tachinardi from La Guaira, Venezuela]

[Text] On 4 March, at the presidential summer residence "La Guzmania" near Caracas, Brazilian President Itamar Franco and his Venezuelan counterpart Rafael Caldera created a high-level binational commission that will be subdivided into various work groups to deal with the following issues:

—Conclude the pavement of the BR 174 highway, and expand the agreement on land transportation. Brazil will pave 200 km of the highway linking Boa Vista with Santa Elena de Uairen. Brazilian Foreign Minister Celso Amorim said Venezuela could cooperate by supplying the asphalt.

—The electric sector: Brazil will purchase energy from Venezuela and will build the transmission lines. Interim Mines and Energy Minister Jose Israel Vargas said the idea is to get electricity for Manaus from the Guri electric plant. He also said discussions are being held for an exchange between Guri and the Balbina hydroelectric plant, because the two countries have weather problems.

—The hydrographic sector: study the possibility of navigation between the Orinoco and Amazon river basins. President Franco said during a news conference that he discussed with President Caldera the interconnection of the Orinoco and Amazon river basins, which have an extension of approximately 11,000 km. The studies began in 1943. Franco said that what the two governments have in mind is to continue the studies with the objective of "reaching the River Plate basin."

—The mineral sector: The two governments will study the possibility of carrying out compatible joint projects regarding sustainable development and the protection of the indigenous communities. The cooperation agreement signed in 1991 between the Rio Doce Valley Company (CVRD) and the Venezuelan Corporation of Guayana (CVG) will be useful for the development of such projects. Israel Vargas commented that the two countries are studying the possibility of using manganese from Carajas in Venezuelan electric furnaces. The objective is to produce iron alloys for the Venezuelan steel industry. He also reported that studies are being made for joint gold prospecting, to develop the border regions and employ gold prospectors in legal and orderly activities.

—The environmental sector: joint development of ecological tourism, scientific research on biodiversity, and cooperation for recovering the deteriorated areas caused by illegal mining. The illegal activities in the border regions were mentioned in the joint communique signed by the two presidents. It says: "The presidents agreed on the need to fight any illegal activities on their common border with determination. With that objective they commit themselves to the reinforcement of appropriate measures for the eradication of illegal mineral prospecting in the border zones, and to carry out an effective control over the use of equipment and other components used in prospecting that contribute to the depredation and contamination of the environment."

Bolivar State Governor Andres Velasco of the Radical Cause, a leftist party that came out third in last year's presidential elections, said: "The Brazilian Government must reverse its position regarding the gold prospectors." He also said the gold prospectors are involved in drug trafficking. He added: "It is possible they are also being used by the multinationals as spearheads for mineral prospecting."

—The Sivam [Amazon Region Surveillance System] project: The Venezuelan Government is studying Brazilian participation in carrying out ecological-economic zoning.

—The hemispheric summit: The two presidents expressed their hopes for the upcoming summit, to be held in the United States this year. The two countries will make joint efforts to have the agenda reflect an effective hemispheric consensus.

—Economic complementation agreement: The two governments will expedite negotiations for reaching an agreement within the framework of the Latin American Integration Association (ALADI). "Such an agreement could also include, in addition to the reduction of trade barriers, incentive measures for border trade, for promoting investment protection, for facilitating the trade of services, for protecting intellectual property, and regulations for preventing unfair competition and access to public biddings."

Creation of Latin America Trade Zone Viewed

PY1003021594 Sao Paulo GAZETA MERCANTIL in Portuguese 7 Mar 94 pp 1, 5

[Article by Claudia de Souza]

[Text] The Brazilian Government on 6 March sent its Mercosur [Common Market of the South] partners a "non-paper" presenting its project to create a Latin American Free Trade Zone (ALCSA).

Through this document, which is normally used when one is in the middle of negotiations or to discuss political subjects, Brazil is already consulting Argentina, Uruguay, and Paraguay about their disposition to extend the trade liberation system to other countries in the region like the Andean Pact (Venezuela, Colombia, Peru, Ecuador, and Bolivia) or individual partners like Chile. This suggestion will be discussed on 9 March during a Mercosur meeting in Buenos Aires.

Ever since it was launched last October and presented as a proposal during the Aladi [Latin American Integration Association] meeting in February, the proposal has been discussed openly (and apparently well received) by the governments of Colombia and Venezuela. The argument for the proposal is that Mercosur must be open and not exclude anyone and that, if discussed within a legal framework similar to the European Common Market, the solution of commercial issues among South American countries will allow a rapid increase in trade.

The Brazilian Government's proposal is to create a free trade zone that will be ruled by the principle of promoting the liberalization of "substantially all trade" [preceding three words in English], an expression used by GATT: It includes all products in general, excluding only those regarded as sensitive by two parties. The Brazilian proposal covers an estimated 80 percent of goods and services.

According to the explanation Brazilian Foreign Minister Celso Amorim gave those attending the ALADI meeting, ALCSA's objective would be to rapidly free trade between the region's countries in a period of not more than 10 years, between 1995 and 2005. "According to the Brazilian proposal, the ALCSA agreements would basically consist of programs for direct, automatic, and progressive tax reductions and cover substantive trade areas. In our opinion, tax reductions must necessarily take place in differentiated deadlines and paces that must be in keeping with the degree of economic development. We also believe free trade talks should be focused on merchandise and the tariff and non-tariff fields," Amorim said then, adding that negotiations would thus become more agile and the accords would be approved in order to allow the liberalization of trade starting in January 1995.

Brazil, for example, could negotiate specific agreements alone where its Mercosur partners do not have direct interests.

The Brazilian Government believes its proposal will be accepted because it simply extends to other partners a practice used constantly during the GATT Uruguay Round negotiations, where Brazil upheld the principle of accepting or rejecting proposals by other countries only after consulting its Mercosur partners.

The proposal also aims at repeating, with other countries and groups in the region, the Mercosur "miracle" that allowed the country to increase by three-fold its exports to the region between 1990 and 1993. Itamaraty believes the key to Mercosur's success lies in the decision to give up discussing the tariff issue product by product for a broader direct tariff reduction. What remains to be done now is to broaden the area of action and reap the benefits.

At dawn on 6 March, during the program "Critica & Autocritica" ["Criticism and Self-Criticism"] (produced by GAZETA MERCANTIL and aired by Television Bandeirantes), Foreign Minister Celso Amorim said: "South America is the priority issue of Brazil's foreign policy." If South America had a geopolitical importance in the past, according to the foreign minister, it now also has an economic importance: Brazilian trade with the region (including Mexico) already represents 25 percent of its total trade, which is equivalent to the trade with the entire European Union and more than the 20 percent trade with the United States and 16 percent with the Asian and Pacific countries.

Brazil, unlike Argentina, does not intend to reveal any intention to join NAFTA, the free trade agreement between the United States, Canada, and Mexico. Last week Argentine President Carlos Menem announced that in June he will begin negotiations in this direction. During the "Critica & Autocritica" program; Foreign Minister Amorim clearly stated that the Brazilian Government regards the Argentine Government's initiative as a political initiative. Technically, he explained, any negotiation for a Mercosur member to join NAFTA should be carried out by the four Mercosur member countries, according to the "Four Plus One" principle.

The foreign minister again insisted that there is no disagreement with Argentina. Even the recent increase of Argentine military expenditures with the purchase of weapons (particularly the Skyhawk aircraft from the United States)—which according to Argentina is to replace old equipment—did not cause any concern. Amorim commented that "if rivalry did exist we would have not reached a nuclear agreement," referring to the four-party, all-encompassing nuclear safeguard agreement between Brazil, Argentina, the Brazilian-Argentine Agency for Accounting and Control (ABACC), and the International Atomic Energy Agency, an agreement for mutual control signed in 1991 in Vienna and approved in early February by the Brazilian Senate.

This same agreement, which sets the ground for a better relationship with Argentina as well as Germany, may have played an important role, according to Celso Amorim, in solving problems on another front, bilateral relations with the United States.

Expressions of greater confidence in the country, such as that by U.S. Trade Representative Mickey Kantor, who last week suspended U.S. investigations regarding Brazil under the so-called Super 301 law after acknowledging the Brazilian commitment to approve its intellectual property protection draft bill, represent a more broad-minded tendency, the foreign minister believes.

"The United States wants the Brazilian economy to be successful. It is the largest Latin America country, with which the United States has the greatest trade volume after Mexico, and where U.S. exports have increased significantly," Amorim commented.

The fact that Brazil is trying to stabilize its economy also had its impact on this change of attitude by the United States, which gave signs that commercials sanctions would be applied until a few days before the final decision. The minister said: "The effort to stabilize the Brazilian economy was decisive."

Amendment Proposal Ends State Monopolies

PY0903132394 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 7 Mar 94 p A4

[Article by Marta Salomon and Vanda Celia]

[Text] Brasilia—According to a restricted access document that is circulating in Congress, the proposal for the new Economic Order—which was drawn up by the rapporteur for the constitutional revision—provides for an end to all the Union's monopolies and an end to the market reserve for state-run telecommunications and mail companies. The proposal is being negotiated by rapporteur Nelson Jobim, PMDB [Brazilian Democratic Movement Party] lawmaker for Rio Grande do Sul, who opted for a more flexible system, to be adopted by the next president of the Republic.

The decision to make more flexible the state presence in the economy is a majority trend within the Constituent Congress, which will be voting within a couple of weeks on the most controversial part of the reform. According to the rapporteur's report, which was released to a limited number of lawmakers, the concept of national capital enterprise and the restrictions on foreign capital will both disappear. Most of the activities that are currently being undertaken by monopolies, or that are being protected by market restrictions, will be exploited "directly by the Union, or through concession or authorization."

Jobim believes that his proposal could be good either for a president with a liberal program of government, or for a president whose program of government advocates strong participation by the state. The idea is not to produced a "fixed" economic model, because after the reform any change will require the support of three fifths of the congressmen. Despite the fact that it preserves the Union's power to control strategic sectors, the proposal does not prevent the participation of private enterprises in providing telephone and data-transmission services, for example.

Article 177 of the Constitution, which defines state monopolies, will undergo a deep change in the rapporteur's proposal. Not even the prospecting for, production, and enrichment of nuclear minerals will remain under a monopoly. Exploitation will be done directly by the Union or by authorized enterprises.

The Union will also control the prospecting for and exploitation of petroleum, but will not participate in the refining, importation, exportation, and maritime transportation of petroleum, which are considered the most profitable fields. This is the most controversial point of the proposal: exploitation of these areas will be free, and the only constitutional requirement will be to observe technical refining regulations and customs policies in the case of exportation and importation of oil and oil byproducts.

The proposal by the rapporteur puts an end to the provision, included in the 1988 Constitution, which makes a difference between Brazilian enterprises and national capital enterprises. Such enterprises will, however, enjoy preferential treatment: in addition to general benefits in the economy, they will have exclusive rights to produce minerals, and will enjoy preference for the purchase of goods and services by the state. Jobim's proposal ends the privileges and the restrictions affecting foreign capital in financial and health care institutions. The proposal maintains a preferential treatment for small-sized Brazilian enterprises.

In addition to ending the market reserve for enterprises like the Postal and Telegraph Company (ECT) for mail services, and Embratel [Brazilian Telecommunications Company] in the area of telecommunications, the modifications of the Economic Order will also affect other sectors. Among these are the exclusive market for Brazilian ship owners, commanders, and crew members for long-range navigation, and for navigation along the coast and along local routes, plus the restrictions on ships built outside Brazil.

The Proposal

The following are the changes proposed by rapporteur Nelson Jobim for the Economic Order:

—The prospecting for and production of petroleum, natural gas, and other fluid hydrocarbons will no longer be a monopoly, and will be directly exploited by the Union or by private enterprises through concessions granted in bidding.

—The refining of Brazilian or foreign petroleum, the importation or exportation of byproducts, and the maritime transportation of petroleum in bulk will be open to exploitation.

—The transportation of gas or petroleum through pipes can be directly exploited by the Union or through concession. The same conditions will apply to the prospecting for, production of, and enrichment of nuclear minerals.

—The postal service and public telecommunications services can be exploited by the private sector with authorization or concession from the Union, which will lose control over the National Air Mail Service.

—The Union will no longer directly exploit the infrastructure of airports, or the highway, railway, and river transportation infrastructure for transportation between national ports and within the national territory. Private enterprises will need authorization to operate in these fields.

—The concept of national capital enterprise, and its benefits, will be terminated. Restrictions on foreign capital in the financial and health assistance fields will be terminated.

National Bank Official on Impact of New Currency

PY0903182194 Rio de Janeiro O GLOBO in Portuguese 6 Mar 94 p 52

[Article by Coriolano Gatto]

[Excerpt] The introduction of a new currency, the real, which is scheduled for mid-April, should cause heavy losses to the financial system because of its curbing effect on inflation. A study conducted by a large retail loans bank indicates that losses to the financial system could

reach $10.4 billion. It is estimated that the new currency might reduce the monthly inflation rate to about 2 percent by May.

This upheaval will force the financial institutions to gain money with new products, adjust their fees to higher rates, and indirectly streamline their structures. Its impact should be similar to that caused by the Cruzado Program in 1986, although the financial system has already had to go through extensive belt-tightening since then.

Arnoldo de Oliveira, the National Bank executive board superintendent, emphasizes: "It will be a painful process because it will end with a dishonest system. And after this the system's profitability will decline."

By a dishonest system we understand the following: The bank overlooks the huge profits yielded by floating funds—the unused money that remains in the current accounts. And the customer, in turn, pretends that the bank does not have any operational costs. Out of a total $18 billion in profits, this sector gained $4 billion through the use of floating funds. [passage omitted]

Fiber Optics Network To Link Mercosur Countries

PY0903122194 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 6 Mar 94 Economic Section p B12

[By Oswaldo Ribas]

[Text] The countries of the Common Market of the South (Mercosur) will be interconnected by a fiber optics network as of September, according to the estimates of the C&M joint venture gathering 25 telephone enterprises from several countries, which is investing $75 million to allow Brazil, Argentina, Paraguay, and Uruguay to gain access to multimedia systems. Christened Unisul, the fiber optics cable will join Florianopolis (Santa Catarina) and Montevideo, while two other cables will make connections with Asuncion and Buenos Aires. The expansion of the network to Santiago has also been provided for. There will be a total of 1,720 km of underwater cables along the South American Atlantic coast.

Unisul will allow regional telecommunications enterprises to send images, data, and voice, both separately and simultaneously. This infrastructure will in the near future allow South American users of interactive systems to have access to or to transmit from their homes communications services and entertainment, cultural, or general information for public use.

The Unisul system will join the Brazilian fiber optics network as far as Fortaleza (Ceara). From this city it will connect South America with the cable systems of North America and Europe. The Brazilian part of the project should be finished in 1995, but there could be a delay. For Europe and North America, the estimate is that operation will begin in 1994. To communicate with Argentina, Brazil will have 15,120 channels. During a first stage, however, only 2,500 channels will be opened. This figure, however, is enough to expand by five times the current communications capacity between the two main South American countries. In the opinion of Embratel [Brazilian Telecommunications Company], the cables will serve to relieve the congestion of telephone traffic to Argentina.

Brazilian Network

The Brazilian fiber optics network provides for a first stage of 7,500 km. The first stretch will join Rio de Janeiro and Sao Paulo. The following lines will join southern Brazil and Belo Horizonte (Minas Gerais) and the northeastern region.

According to Embratel reports, Brazilian fiber optics projects include short and long distance systems that will connect the main capitals of the country. According to Telesp [Sao Paulo Telecommunications, Inc.] information, 90,000 meters of cable are being installed per month. By the year 2000 it is estimated that 70 percent of the Sao Paulo metropolitan region will be served by fiber optics cables.

Educational Telecommunication Network

Embratel and the Ministries of Education and Science and Technology have begun to work on Brazil's information superhighway. It is a system that will expand the National Research Network interconnecting Brazilian universities, which will also connect schools and cultural organizations such as libraries and museums. There will be three cultural networks that will be freely accessible in the future.

Chile

Air Force To Purchase Belgian Mirage Fighters

PY0903143794 Santiago Radio Cooperativa Network in Spanish 1000 GMT 9 Mar 94

[Text] The government has authorized the replacement of its Hawker Hunter planes by Mirage-5 fighters from the Belgian Air Force. This was reported by Chilean Air Force [FACh] Commander General Ramon Vega, who said that the FACh had long been interested in purchasing the Mirages from Belgium. He said that a special delegation will travel to Belgium to analyze the operation and the technical characteristics of the airplanes, to observe their compatibility with those already owned by the FACh.

[Begin Vega recording] This is an old aspiration of the FACh. We have 45 Hawker Hunter airplanes, which represents a considerable figure in our force. Due to their deterioration they must be withdrawn from service this year without fail. These 20 new airplanes will compensate for the loss of the Hawker Hunters. [end recording]

Gen. Vega also said that the decision to purchase the Mirages is the result of many studies carried out over the

past few years, through which it was determined that the Mirages would replace the Hawker Hunters, which have been in operation since mid-1968.

He added that there are no preestablished terms for delivery of the airplanes. Delivery will take as long as is necessary, but not longer than a month [as heard], he said. As for the cost, Gen. Vega said this was a difficult subject, but it is within the ceiling established by law, a little more than $80 million. He also said that the Belgian Government has granted Chile payment terms by which 70 percent of the funds will come from a government-to-government credit without charging interest.

Gen. Vega said that the FACh wants the contract to be signed by the middle of 1994 and the new airplanes to begin operating by the end of 1994.

Escalona on Economy, Interparty Relations

94SM0238C Santiago EL MERCURIO in Spanish 23 Jan 94 pp D4-D5

[Interview with Socialist Party President Camilo Escalona by Raquel Correa; place and date not given]

[Excerpts] [Passage omitted]

Palestro's Return?

His great personal drawing power was demonstrated during the last election. If he obtained 48,000 votes with the enthusiastic support of the left (today the MIDA [Allendist Leftist Democratic Movement]) in 1989, now he received 62,500. This fact, and that he heads the Socialist movement, has led many to conclude that "this business of socialist renewal" is just a fairy tale. The political scientist, trained while in exile at the University of Madrid, replies with a straight face:

"I believe it is due to my strong ties with my district."

[Correa] Is it not proof that the Socialist grass roots have not been renewed, as Hernan Larrain said?

[Escalona] No. These arguments are too esoteric for the man in the street, as Julio Martinez would say. There was a strong tendency to vote for the person. And without a doubt, I was the congressman in the Concertation who had the greatest following in the district.

[Correa] Would you like Mario Palestro to return to the PS [Socialist Party]?

[Escalona] Of course! He is a bit undisciplined but—he is a Socialist after all! What are we going to do: we cannot cover the sun with a finger. In reality, he has become disconnected from reality.

[Correa] He despises the "renewed ones." Do you, also?

[Escalona] I am very critical of renewed Socialists. But at the same time, I deeply value the effort and the intellectual contribution they are making to update Socialist thinking.

[Correa] What is your basic discrepancy with the "renewed ones?"

[Escalona] Especially a question of style: I find them artificial, without going to the extreme of Palestro, who says that they wear pink underwear.

Market Economy

[Correa] With regard to Socialist thinking, do you accept the market economy?

[Escalona] It is a conception of the state that I value and accept. Because if a state is not democratic, even though it might call itself socialist, it represents a contradiction in principle with our political thought. In other words, a state that is administered under the concept of the dictatorship of the proletariat is incompatible with the basic principles of Socialist thought, which speak of pluralism, alternation in power, liberty and the rights of individuals. Now, in the field of economics, I believe that they are hastening to accept a model with aspects which today are in dispute.... Even President Aylwin spoke of a "cruel" system. In renewed socialism, this discussion is in process. We, who recognize that the economic process does not work without the market, can give this fact a progressive twist and, at the same time, the possibility to resolve the problems that the market does not resolve on its own: social inequalities. I believe that renewal socialism's hastiness in dealing with this theme produced a negative cultural effect: a certain legitimization of the concept of market economy as it was handed down by the military regime.

[Correa] Are you delegitimizing the market economy?

[Escalona] We accept that the market is indispensable for the functioning of the economy, but we want to make corrections in it that give efficacy to the productive process to enable it to resolve the social inequalities that the market is unable to resolve by itself. In 1992, after losing the internal elections, I published an article called The Socialist Plan for the Market, in which I argued that we Socialists could not remain paralyzed, as if barking at the moon, criticizing the market. That instead we ought to develop program proposals that emphasize the redistributive function.

[Correa] You do not believe in the social economics of the market either?

[Escalona] This concept began to be adopted when equitable growth was pursued, in this government, although we Socialists found it inadequate. When the 15 percent tax on the First Category was included, the social concept appears.

[Correa] Would you say that Foxley's policies followed that path?

[Escalona] I think they followed a progressive path, although that will seem an exaggeration to many leftists. There was progress, but inequalities did not disappear.

[Correa] What system do you think could make inequalities disappear in four years?

[Escalona] None.

Under Suspicion

[Correa] How would you describe a socialist model today?

[Escalona] I believe that the way to be socialist is about to emerge. It does not exist yet. In President Aylwin's government, we had very important responsibilities and at the same time we maintained our presence and our responsibilities in the social movement, with a great many labor union leaders. But this situation does not exist today as a possibility. This is why the divorce between the Socialist grass roots and its leadership is so evident.

[Correa] If the next government were to be presided over by Ricardo Lagos instead of Frei, what specific difference would there have been?

[Escalona] We Socialists feel somewhat constrained from saying anything, because whatever we say is "under suspicion" in Chile because of the cultural climate. There are those who think that we want to establish a totalitarian state. The future minister of education said that education needs a revolution, and we Socialists agree with that, but if Lagos had said it there would have been an outcry. When I was a boy, social mobility was possible through education. Today, the same is not true, in general, which accentuates inequalities. A first essential question for the Socialists is that there is still no program of education for democracy, although there has been important progress. Second, a revolution is needed in the social security system: people—not only the elderly—are extraordinarily unprotected in Chile. We should be the principal factors in placing those two subjects on the agenda.

[Correa] Do you consider yourself a Marxist-Leninist?

[Escalona] No. Just Marxist. I reached the conclusion that the humanist content that we want to capture is not contained in that formulation. The word Leninism is associated with atrocities and genocide, which are contrary to what we aspire to.

[Correa] You lived in countries that were under real socialism. What did you feel when the wall fell?

[Escalona] A conception of the state collapsed. What was latent in my political thinking took form. I was familiar with several ex-socialist countries, and I was aware of the level of bureaucracy, the inefficiency, popular apathy, alienation from power, lack of participation. The destruction of the wall made absolutely clear that our concept of the state is completely different.

[Correa] What emphasis do you want to give socialism. Make it more leftist?

[Escalona] No. Humanize it. Because we are experiencing a conflict of realities. We come in from the street, from strikes, protests, and suddenly we find ourselves in the government. This is why we have a mixed party, so to speak, and, so that it may become one again, we must concentrate the activity of the party on persons. Because if today you compare the profile of a Socialist who is adviser to the minister of finance with a Socialist coal miner, you will find two very different points of view. We need to find common ground.

[Correa] By making the adviser more leftist and the miner more rightist?

[Escalona] Something like that. We can help greatly to improve health services, for example. People do not look favorably on health service personnel because the service is bad. We have to make an effort so that those workers do not abandon their legitimate union aspirations and at the same time understand that they are part of a people who must be well served.... Our new concept is "a party for the people."

[Correa] And what is it now?

[Escalona] A party for power.

[Correa] As president of the PS, why did you not support Isabel Allende?

[Escalona] Because the veto against me was still in effect. Last week's Plenum created a new situation in the party: that any agreement is possible. Before the Plenum, any agreement was possible, except that I could become president of the party. In any case, I never objected to her.

[Correa] Would you have preferred to vote for the priest Pizarro than for Frei?

[Escalona] No. The integralism of Pizarro's line spared me any problems of conscience. What a conservative! I doubt that any Communist could say that Pizarro is more progressive than Frei.... I believe that Frei is a lucky man: it is his fate to live during a period that might see the democratic reformulation of the country. I believe that, over the long term, political realities will influence the position of the right. As 1997 approaches, there will be movement toward agreement on institutional matters, although not completely to the satisfaction of the Concertation.

[Correa] How do you feel about the appointment of German Correa as chief of the Cabinet?

[Escalona] It is a daring step for the president-elect.

[Correa] Why did the PS oppose the appointment at first?

[Escalona] Only because German's departure could have caused a problem of governability in the party.

[Correa] Do you consider it a master stroke, to bind the Socialists to the Concertation?

[Escalona] It is something we cannot ignore. The separation of the presidential and the congressional elections must have made the Christian Democrats think that we had to be more cautious with positions of so much responsibility. But the important thing is that this shows the extent to which we have internalized the Concertation.

[Correa] Foxley said that he will be loyal to Frei until the last day of his administration. Would you say the same?

[Escalona] We will be part of the Frei government for his entire administration.

[Correa] What could make you leave?

[Escalona] Changes in the situation so radical that I cannot imagine them at the moment.

[Correa] Is the relationship of the left with the government strong now?

[Escalona] More intense.

[Correa] Do you think that the Ministry of Public Works is sufficient for Lagos?

[Escalona] The Foreign Ministry would have been better.

PS-PPD: Realization?

[Correa] Do you favor the convergence of the PS-PPD [Party for Democracy]?

[Escalona] No, because it irritates and exacerbates relations between the two parties.

[Correa] But Lagos is in favor....

[Escaalona] Yes, but when he came to call on us he said that he understands that this is not possible at the moment; what he wants is coordination that optimizes the bilateral relationship.

[Correa] What do you think of the statements by Deputy Shaulsohn that the PPD should exercise hegemony in the Concertation?

[Escalona] I cannot believe he said that. The idea of hegemony is so aggressive....

[Correa] He also said that "a great progressive force," PPD-PS, "was an abstract realization [entelequia]."

[Escalona] I understand that because of origin, shared experiences, even Lagos's leadership, there is an aspiration for a force to exist between the PS and the PPD that would play a progressive role in the Concertation.

[Correa] How do you intend to manage things between the various factions of the PS, considering that your faction represents less than half of the party?

[Escalona] I hope that the agreement that was reached last week will become a substantive political agreement with all the factions. I am not going to try to reach an understanding with one faction to the detriment of another.

[Correa] Are you going to be "above factions?"

[Escalona] I am going to be multilateral.

Order and Repression

[Correa] What will you do on the day that a Socialist minister, under the obligation to maintain public order, has to permit repression?

[Escalona] Bernardo Leighton was minister of interior and went down in history as one of the great democrats. The Ministry of Interior in a democratic government does everything it can to avoid excesses of repression. In everything that signifies maintaining public order with the legitimate means of democratic governability of the country, the minister of interior has the unrestricted support of the Socialist Party.

[Correa] But if a mishap occurs during a confrontation...?

[Escalona] What may happen because of a "mishap" is not the political responsibility of the minister of interior.

[Correa] Does this total commitment of the PS to the Concertation impede the formation of a leftist alliance with the Communist Party?

[Escalona] We are not working to recreate a leftist alliance. We are not thinking about a Socialist-Communist alliance. It is impossible: we have a different understanding of the country. We think that the Concertation is a constructive, progressive, stabilizing factor in Chilean society, and the Communist Party sees it as a continuation of Pinochet. There is no meeting point.

[Correa] Do you feel closer today to the PDC [Christian Democratic Party], which was Allende's adversary, than to the PC [Communist Party], which was his ally?

[Escalona] Of course. As a deputy for a working class district, I am at peace with my conscience participating in a government that has built 90,000 housing units during the year and not forming part of an opposition that contributes nothing. In any case, it is a matter of principle for me that we Socialists cannot form part of a McCarthyite philosophy that tends to demonize the Communists, a view which can lead to any extreme.

Sule Elected Radical Party President

94SM0238A Santiago LA NACION in Spanish 10 Jan 94 p 7

[Article by Paula Walker]

[Text] Santiago. Anselmo Sule was designated president of the Radical Party (PR) to deal with the crisis created by the results of the latest intraparty elections and to prepare for internal elections called for 30 May. The solution was reached after lengthy and tense negotiations

with the sector led by Ricardo Navarrete and Enrique Silva Cimma, with the group obtaining a vice presidency and strong representation on the Governing Board.

In the tumultuous Council meeting, held in the Diego Portales building, only the regional councillors, members of Congress, and the Governing Board took part. Mid-level PR officials and rank and file militants were not included, in accordance with the bylaws.

This caused severe criticism from the Radical rank and file, who gathered outside the building with signs. The leadership summoned the Carabineros to disperse the demonstrators and encourage them to make an orderly entry into the building.

The final agreement on the Governing Board was reached after 1930, following complex negotiations in which Navarrete's group conditioned its support on obtaining an important position, such as the General Secretariat or a vice presidency, and a significant presence in the directive bodies.

The outcome was that the faction led by Navarrete and Silva Cimma will fill six of the 14 seats on the Emergency Board, while the group led by the current president of the PR, Carlos Gonzalez Marquez, and Sule, will hold the remaining eight.

The Governing Board was constituted as follows: president, Anselmo Sule; vice presidents, with equal authority, Ricardo Navarrete and Sergio Carrasco; secretary general, Ernesto Velasco, one of the party's new faces; secretary of organization and control, Aldo Bruzzone; and the national directors: Mireya Alfaro, Gaspar Bernales, Jaime Campos, Jorge Millan, Moises Signorelli, Wilson Tapia, Milton Vergara, Mario Weitzel and a fourteenth director to be designated tomorrow.

The Political Committee will be made up of Alex Acosta, Mario Cabezas, Patricio Tombolini, Sergio Villegas, and members of Congress Mario Devau, Dionisio Fa[illegible]bann and Jose Pena.

Outgoing President Carlos Gonzalez Marquez congratulated the councillors for the manner in which they conducted the difficult negotiations. "This agreement was proposed basically by the leadership of the party's rank and file, the regional councillors. We want the rank and file to regain sovereignty and this is why we are going to have an election on 30 May, so that the rank and file can elect its new national officers.... There has been a profound, frank, serious, and painful examination, but it was worthwhile doing."

The new president, Anselmo Sule—the only Radical senator who will retain his Senate seat after March—announced that the new Governing Board's work program and the Council's final accords will be made known next Tuesday, 11 January. He expressed appreciation for the support and concern of militants, "at such an important moment, when the Radical Party is passing through a serious crisis. We expect to come out of it strong, with great vigor, and we hope that in the next national election we will again become, in number of votes and elective offices, one of the country's principal forces."

Agreement Reached on Subordinated Debt

94SM0238B Santiago LA NACION in Spanish 15 Jan 94 p 16

[Article by Alejandra Costamagna]

[Text] When all the negotiating juggling tricks seemed exhausted, patience took a back seat to reason and the longed-for statement was spoken by Finance Minister Alejandro Foxley: "There is agreement on the subordinated debt."

After several days of adroit maneuvering, the principal negotiators met yesterday, 14 January, on the subject that had delayed the approval of the project to modernize banks and to propose a new solution to the problem of the subordinated debt.

Sebastian Pinera, Jaime Orpis, Andres Zaldivar, Jaime Gazmuri, Jaime Estevez, Jose Florencio Guzman (superintendent of banks and financial institutions), Patricio Arrau (advisor to the Ministry of Finance), Jorge Marshall (vice president of the Central Bank), Camilo Carrasco (director of financial policy at the Central Bank) and Minister Foxley took six hours to work out the final details of the accord.

The document establishes a minimum term of 40 years and a schedule of payments on the subordinated debt ($3.8 billion) that 10 banks have pending with the Central Bank since the financial crisis of 1982. The institutions concerned must make their annual payments with the percentage of their surpluses which currently are due to the Central Bank and, if this is insufficient, they must make payment through increases in their capital or with bonds convertible into shares.

The most controversial subject until yesterday had been the determination of the value of those bonds. While the government maintained that the value should be responsive to determination by the market, the opposition argued that the value should be a nominal figure. Foxley explained that the matter was resolved by establishing an average market price "plus a surcharge that would reflect their increased value anticipated at auction." Although this amount was not specified, it was estimated that it could vary between 10 and 15 percent, so that it would not represent a loss for the Central Bank.

The text made clear that preferred stockholders would have the first option to subscribe to these bonds convertible into shares.

Amid smiles that combined satisfaction with fatigue, the expectation for the vote on Tuesday, 18 January, is one of complete optimism, because the agreement rules out the awful possibility that the Concertation might vote

against the idea of legislating, which would have meant the postponement of the matter for a year.

A decision regarding treatment of portfolio bills of sale [letra por venta de cartera] is still pending. But among congressmen there was agreement in their disagreement. Although this may seem paradoxical, it means that they will make every effort to reach agreement by Tuesday. If no agreement is reached, the matter will be resolved in the legislative process. "This is not going to be an obstacle to the proposal's approval," was stated more than once.

What remains to be done before Tuesday (which ceased to be "D-Day" to become a kind of confirmatory day) is the meeting that the protagonists will hold to ratify these agreements and formalize them in a document.

[Box, p 16]

The Four Points of the Agreement

The agreement that emerged after six hours of discussion in Minister Foxley's office can be summarized in four points:

1. Establish a minimum term and a schedule of payments on the subordinated debt so that the debt will no longer have an indefinite term.

2. Banks with subordinated debt must make their annual payments with the percentage of their surpluses that currently are due to the Central Bank. If this is insufficient, they must make payment through increases in their capital or with bonds convertible into shares, according to the circumstances.

3. The value of these bonds will be determined by the average market price, plus a surcharge that reflects their increased value anticipated at auction.

4. Preferred stockholders will always have the first option to subscribe to these bonds convertible into shares.

Pending

* A decision regarding the treatment of portfolio bills of sale is still pending. If agreement is not reached, the matter will be resolved in the legislative process.

Colombia

Contacts Between Medellin, Valle Cartels Reported

PA0903184394 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 9 Mar 94

[Report by Miriam Ortiz from the "24 Hours" newscast]

[Text] According to intelligence reports, Medellin Cartel prisoners might be in contact with the Valle del Cauca cartels in a bid to unite. Some experts are asking why the prosecutor general was not given these intelligence reports before the communique was issued by the Higher Council of National Security and Defense. Here is a report by Miriam Ortiz:

[Begin Ortiz recording] The Security Council based its decision on intelligence reports to prohibit the transfer of some Medellin Cartel members to the maximum security section at the Itagui prison. According to authorities, Carlos Alzate Urquijo, a.k.a. Arete, is Roberto Escobar's successor. After the attempt on his life, Roberto Escobar, a.k.a. Osito, delegated to Arete all of the functions he inherited from his brother Pablo Escobar. Roberto Escobar did this because he felt that with Alzate's leadership qualities, his family ties, and the respect he commands among his cohorts, there was no one better than Alzate to recover lost ground, prevent front men from taking over their properties, and prevent the dominance of the Cali Cartel.

According to intelligence reports, Arete is followed in the hierarchy by Luis Carlos Aguilar Gallego, a.k.a. Mugre; Jose Fernando Posada, a.k.a. Jaime Eduardo; and Gustavo Adolfo Arrula [name as heard], a.k.a. Maxwell.

The intelligence reports add that there is proof of links between the Medellin Cartel and the guerrilla groups based in Antioquia Department, especially with the Urban Militias led by the ELN [Army of National Liberation]. According to a statement by Pipe Perez [not further identified], Alzate Urquijo was the direct contact between the cartel and guerrilla leaders. The state intelligence agencies also report that Otto [Ottoniel Gonzalez Franco] and Popeye [John Jairo Velasquez] have, for the time being, moved out of the organization's spotlight and now want to make peace with their enemies. [end recording]

Security Council Rejects Inmate Transfer

PA0903183594 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 9 Mar 94

[Report by Alvaro Ayala and Raul Gutierrez from the "24 Hours" newscast]

[Text] Prosecutor General Gustavo de Greiff continues to live in the eye of the hurricane. A special Security Council session—a session attended by the president as well as the government, justice, and defense ministers, among others—decided not to authorize Prosecutor General Gustavo de Greiff's request to transfer Medellin Cartel prisoners to their native city. Here is a report by Alvaro Ayala:

[Begin recording] [Ayala] The prosecutor general today said he will not resign, adding that he will study the National Security Council decision to block the transfer to Itagui of members of the Medellin Cartel currently held at the La Picota and Modelo jails in Santa Fe de Bogota.

[De Greiff] The Prosecutor General's Office will study the decision with due respect to the Security Council's

opinions and recommendations, and it will adopt appropriate measures in a timely manner.

[Unidentified reporter] Can the fact that Medellin Cartel prisoners will not be transferred to the jail in Itagui be seen as weakness on the part of the government?

[De Greiff] No, I cannot make any additional comments other than those I have just made.

[Reporter] The attorney of [Cali Cartel members] Gilberto Rodriguez and Julio Fabio Ordinola just said that they will surrender if you guarantee that they will be held at a Valle del Cauca Department jail. Can you guarantee such a thing?

[De Greiff] I will also have to study this. I cannot say any more.

[Reporter] [words indistinct]

[De Greiff] No, I cannot say anything else.

[Reporter] Just one more question. There is the impression that the executive branch is not heeding your orders.

[De Greiff] Let each person judge this for himself according to his conscience and heart.

[Reporter] If the Cali Cartel members surrender, will you continue to work for the process of submission to justice by drug traffickers?

[De Greiff] I obviously have to accept it because this is what is established by Colombian law. [end recording]

The following are details of the Security Council communique that refused to authorize the prosecutor general's request. The communique stated that the government clearly disagrees with Gustavo de Greiff and that it has information concerning the reunification of the Medellin Cartel. Here is a report by Raul Gutierrez:

[Begin recording] [Gutierrez] The Security and Defense Council issued a severe warning to the prosecutor general for insisting on the transfer of Carlos Alzate, a.k.a. Arete; Carlos Aguilar, a.k.a. Mugre; Gustavo Gutierrez, a.k.a. Maxwell; Jose Fernando Posada; and Jorge Pizano from La Picota jail in Santa Fe de Bogota to the jail in Itagui, near Medellin. After meeting under the leadership of President Gaviria, the council recommended that the transfer not be carried out. It also expressed its serious disagreement with De Greiff for having stated that the Medellin Cartel prisoners do not intend to resume their criminal activities.

[Government Minister Fabio Villegas] Information available to the Higher Council of National Security and Defense permits us to state that they [Medellin Cartel prisoners] not only have the means to reunify, but also that their intentions appear to be leaning toward reunifying their criminal organizations, even uniting with the Valle cartels with which they have had contacts within the past few days.

[Gutierrez] The council gave its full support to the justice minister and the director of the Penitentiary and Prison Institute, thereby enabling them to maintain the state of emergency in the prisons and keep organized crime chiefs dispersed in various prisons.

[Villegas] This was done because we believe the transfer would represent a grave danger to public order, prison security, the security of Medellin, and the nation's security, and it also would provide a means for the last remnants of the Medellin Cartel to reunify.

[Gutierrez] To prevent anything from being left out, the Higher Security and Defense Council recommended to the justice minister that he ask the prosecutor general to change the venue of the legal processes against the five members of the Medellin Cartel. [end recording]

Prosecutor General's Letter to U.S. Official Viewed

PA1003021994 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 10 Mar 94

[From the "24 Hours" newscast]

[Text] Two documents that were made public today, the prosecutor general's letter to the U.S. attorney general and the justice minister's letter to the prosecutor general, demonstrate that the same virtues that made Gustavo de Grieff stand out as the man of the year are now causing him difficulties.

Signed by his own hand, the prosecutor's letter tells the U.S. attorney general that unless the United States presents evidence, the war against drug trafficking will be lost; evidence is needed to condemn people in both countries; drug legalization is good provided it destroys the source of funds for drug traffickers; and consumer countries have no policies to halt consumption.

These are four obvious truths, which nevertheless offend the U.S. attorney general. The prosecutor is condemned for the virtue of speaking the truth without beating around the bush, which gained him admiration in Colombia. Something similar has happened to the government. The prosecutor has implemented surrender-to-justice policies, but the government changed the rules to avoid a repetition of the La Catedral Jail mistakes, when Escobar confessed what he wanted to. Now the confession must be accurate, sincere, and truthful.

At that time, Escobar purchased, built, and outfitted the prison to his needs; now imprisonment must be in high security jails and subject to special disciplinary regulations. The government wants to show the United States that it will not repeat past mistakes. The prosecutor only ensures law enforcement, as he has always done, to the admiration of the country.

Venezuela's Banco Latino Scandal Reaches Colombia

PA1003030994 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 10 Mar 94

[Report by Carolina Lavoe in Caracas; from the "24 Hours" newscast]

[Text] Selling the Colombian Banco Latino branch could partially help solve the scandal caused by the embezzlement of more than $2 billion by the bank's main branch in Venezuela. Despite the fact that an investigation by the Venezuelan Congress shows the Colombian Banco Latino branch operating normally, most of its shareholders are the same people responsible for the bank's bankruptcy in Venezuela.

[Begin Orlando Fernandez, president of the Venezuelan Congress Banco Latino investigating commission, recording] The Colombian Banco Latino branch shareholders are all practically the same people who robbed the bank here in Caracas, with the exception of certain shareholders who are front men for former president Carlos Andres Perez. [end recording]

While the woman judge investigating the case in Venezuela is about to issue 50 new arrest warrants, some of the alleged culprits are in Colombian territory.

[Begin Fernandez recording] Several are in Colombia. The wife and genius connected to all the legal machinations in obtaining unsecured loans, loans with false documents, all the operations carried out by front men, were made by a citizen called Lermi Mendoza, who is in Colombia. [end recording]

On behalf of the Colombian colony of immigrants affected by the financial catastrophe, Venezuelan Deputy Walter Marquez pointed out the principles of reciprocity that Venezuela and Colombia uphold.

[Begin Marquez recording] Many Colombians have been affected by this situation. We consider this serious. Colombia must act in reciprocity with Venezuela and deport all Banco Latino executives under arrest in Colombia to Venezuela as part of the principles of international cooperation. [end recording]

The Venezuelan Judicial Technical Police have executed more than 400 raids in connection with the Banco Latino case despite the fact that it is well-known and has been published in all the country's media that the people who are mainly responsible for this embezzlement are not in Venezuela.

Peru

U.S.-Japanese Trade Ties, Super 301 Reviewed

PY0903204994 Lima EXPRESO in Spanish 3 Mar 94 p A26

[Article by Francisco Tudela: "Geo-Monopoly"]

[Text] On 12 February, Japanese Prime Minister Morihiro Hosokawa made the talks with Bill Clinton's administration's very new National Economic Council fail. The talks had the purpose of opening the Japanese market to U.S. exports.

Goals and Planning

This failure was a sign of Japanese annoyance at the U.S. "plan" for the Japanese market. U.S. officials, in the best tradition of the 1930's New Deal, requested planned participation in the Japanese market through previously fixed quantitative "goals." These "goals" do not accomplish anything but to destabilize Hosokawa's government, which was elected after a government promise to fight the large Japanese bureaucracy and its excessive planning. The "goals" only imply more planning and more paperwork for bureaucrats.

U.S. negotiator Mickey Kantor reacted against the Japanese rejection, proposing a list of harsh sanctions against Japan on 15 February. The truth is that these sanctions would be ineffective because Japanese firms have so many factories abroad that have become, in practice, immune to sanctions.

Seeking Their Share

Since then the U.S. Congress has brought back to the fore an old demand. Members of Congress called on Japan to buy more U.S. spare parts and automobiles, despite the fact that Detroit almost does not produce cars with the steering wheel on the right. Congress also is revising the "Super 301" provision applicable to U.S. foreign trade laws and through which the government can impose unilateral reprisals against other countries' "discriminatory practices."

The Americans not only reacted against Hosokawa's NO, but also against the Japanese refusal—which followed the NO—to respect a previous agreement giving the U.S. consortium Motorola a larger share of the Japanese telecommunications market.

The Real Problem

These are, however, only the symptoms of a much larger problem: the negative U.S. trade balance with Japan. In effect, in January alone, the U.S. trade balance with Japan showed a $6.1 billion deficit, 17 percent more than last year. The overall Japanese trade balance surplus with the United States now stands at $50 billion.

In a fascinating article called "Let us play geo-monopoly: diplomacy is to occupy your time with other nations' affairs" (THE NEW YORK TIMES 30/Jan/94), Thomas L. Friedman points out the Clinton's administration's great concern with the insufficient Japanese purchase of U.S. exports and tells how U.S. Treasury Secretary Lloyd Bentsen asked the Japanese Finance Ministry to not only reduce taxes to stimulate consumption of "U.S.-made products," but also requested a commitment not to increase the IGV [general sales tax] for two years.

Geo-Monopoly

According to Friedman, U.S. Treasury officials are fully conscious that those measures also will imply a destabilization of Hosokawa's economic policies, but have decided to maintain the pressure. Friedman says that for the present U.S. administration, "all foreign policies must be economic policies and all economic policies must be foreign policies." Therefore, this new diplomacy does not stop, as in the past, at other countries' independent and sovereign borders, but on the contrary, it begins right there and sinks deeply in the social and economic system of other nations.

This new policy, baptized as "geo-monopoly" by Friedman, changes the traditional definition of who is a friend and who an enemy in the international arena. Friedman describes how for U.S. Treasury officials "our enemy there is bureaucracy" (in Japan).

Polyglot Joke

Secretary of State Warren Christopher and Treasury Secretary Lloyd Bentsen now are articulating an offensive against Japan under the flag of this new policy. Their strategy includes, according to Friedman, "to deliberately cause a political crisis (...) to pressure Japanese leaders." The Japanese, conscious of this fact, say, half-jokingly and-half seriously, that "the United States is the only opposition party here."

If political crises are now just tools serving U.S. economic diplomatic purposes, then these "jokes" will be sung in many languages in the future.

Ashaninkas Held Captive by Shining Path Manage Escape

PY0903145794 Madrid EFE in Spanish 0347 GMT 9 Mar 94

[Text] Lima, 8 Mar (EFE)—Military sources officially reported in Lima on 8 March that over the last eight days a total of 152 natives from the Peruvian Ashaninka ethnic group have managed to escape from the control of the terrorist group Shining Path, which had been holding them captive in the tropical forest area of Junin Department.

According to an official communique released today by the Ucayali Front Political Military Command, a group of 119 Ashaninkas arrived at a countersubversive base of the Peruvian Navy located in Poyeni, Satipo Province, after fleeing from the grip of the terrorist group that had abducted them.

The communique states that the group was made up of 60 children, 30 women, and 29 men.

On 6 March Army patrols rescued 25 Ashaninkas, who had been virtually reduced to slavery by Shining Path, in Shanquireni, another village in the tropical forest area of Junin Department.

A communique from the Political Military Command of the Central National Security Subregion states that this group was composed of 13 children, five women, and seven men.

Another military source reported that another eight Ashaninkas were released in Gloriabamba, located in the same jurisdiction.

All the communiques noted that the Ashaninkas were ill, suffered from severe malnutrition, and had been psychologically affected.

Ashaninkas have been held captive in several areas of Peru's central tropical forest by Shining Path, who used them as activists under threat of death and as their servants for household chores and agricultural activities under a system of virtual slavery.

Security forces have managed to release a considerable number of captives over the last few years, but there are still areas where the Maoist group holds them in captivity.

Political Violence Statistics for Dec 1993

94WR0115Z Lima DESCO SPECIAL REPORT in Spanish Dec 93 pp 4-5

[DESCO Special Report No 32: "Political Violence in Peru Today," issued by Peru's Center for Development Studies and Promotion (DESCO)]

[Text] During the month of December, political violence generated 58 subversive attacks causing the deaths of 34 persons. The attacks increased by 22 in comparison with the November figure but, fortunately, the death toll declined by eight. Of the total victims, 16 belonged to the civilian sector, 12 were presumed subversives, four were members of the Police Forces [FFPP], and two were from the Armed Forces [FFAA].

December was marked by two commemorative dates, which were the occasions of heightened Shining Path [SL] activity. The first was another birthday of Abimael Guzman, followed by the SL's promised celebration of the centennial of Mao Tse-tung's birth. They occurred at the beginning and end of the month, respectively.

Lima again ranked first insofar as attacks were concerned. A total of 37 acts of political violence (64 percent) were committed in the capital: that is, 17 more acts than in the previous month.

A day before Abimael Guzman's birthday, the SL's caused a minor blackout in the capital and in other zones of the country, sabotaging part of the Mantaro interconnected system for this purpose. In conjunction with the blackout, the subversives detonated some explosives in at least three Lima districts.

Ranking second for attacks was the Northern regional committee, with 10 subversive acts (17 percent). The number of attacks rose by seven compared with the

previous month's figure. Three of these acts involved confrontations between the forces of order and the subversive columns. Two of these clashes occurred in the Chavin region, and the third in Sanchez Carrion Province, in the La Libertad sierra region.

The Central regional committee ranked third, with five attacks (9 percent): the same number of acts of political violence as during November. Two of these incidents involved assaults upon vehicles on highways, another was a confrontation, the fourth was sabotage against high voltage towers, and the last, a selective assassination.

Fourth place for attacks was tied between the Jungle and Southern regions, each of which had two acts (3 percent). In the Jungle the attacks declined by six, and in the South they increased by two.

Last place for attacks was taken by the Principal region, with one subversive act involving sabotage against electric power facilities.

As for victims, the Lima regional committee also ranked first, with 17 persons killed (50 percent). Two of these deaths were selective assassinations of popular leaders: one, a member of the Huayacan patrols, and the other, a general secretary of a human settlement in Chorrillos.

However, the incident with the most bloodshed occurred during the attack on the Bank of the Nation branch in El Agustino, in which three policemen, five civilians, and one subversive were killed.

Ranking second for victims was the Northern regional committee, with eight (24 percent). Five of these deaths were Shining Path casualties in a confrontation with a police patrol in Mariscal Luzuriaga Province. In an invasion, the subversives assassinated a lieutenant governor as well.

The Central regional committee ranked third, with seven victims (20 percent). Six of these deaths occurred during a confrontation between an Army patrol and an MRTA [Tupac Amaru Revolutionary Movement] group in La Merced. Five subversives and one soldier were killed in the clash.

The Jungle region ranked last, with two deaths (6 percent). One of the incidents was the subversives' assassination of the wife of a municipal councilman from Amarilis, and the other was the death of a member of the police at the hands of an MRTA group.

Terrorist Attacks By Region: December 1993 (in Percent)

- Lima: 65
- Northern: 18
- Central: 9
- Jungle: 4
- Southern: 4
- Principal: 2

Victims By Region: December 1993 (in Percent)

- Lima:50
- Northern: 24
- Central: 21
- Jungle: 6

Victims and Attacks By Regions in December

Regions	Victims					Attacks
	FFAA	FFPP	Civilians	Subversives	Total	
Lima	0	3	12	2	17	37
Northern	1	0	2	5	8	10
Southern	0	0	0	0	0	2
Jungle	0	1	1	0	2	2
Principal	0	0	0	0	0	1
Central	1	0	1	5	7	5
Total	2	4	16	12	34	58

Venezuela

Congress Approves Emergency Banking Law

PA0903025294 Caracas Venezolana de Television Network in Spanish 2350 GMT 8 Mar 94

[From "The News" newscast]

[Text] An emergency law presented to Congress by Treasury Minister Julio Sosa Rodriguez was approved this evening after Congress debated it for three hours in a bicameral session. The only thing that remains now is for the legislative branch to send the document to the executive for confirmation.

In a bicameral session, Congress approved a law dealing with the nation's financial crisis. MAS [Movement Toward Socialism] Deputy Walter Marquez, who has closely followed the Banco Latino case, as president of the commission investigating the case, gave his opinion on this law:

[Begin Marquez recording] The most important points approved guarantee bank deposit insurance from 1 to 4

million bolivares and the appointment of representatives for the depositors to the Intervention Board. Meanwhile, the Intervention Board is authorized to pay senior citizens over 60 and people who are in a difficult economic situation enough to cover their daily expenses. Likewise, the mechanisms to handle financial emergencies were established, and in the same manner, mechanisms were set up to obtain temporary financial aid. [end recording]

Armed Forces Cuts Budget by 6 Billion Bolivares

PA0803234194 Caracas EL UNIVERSAL in Spanish 5 Mar 94 p 1-6

[By Berenice Gomez Velasquez]

[Text] Following the executive branch's announcement that the national budget will be reduced 10 percent, the Armed Forces has reduced its budget for this fiscal year by at least 6 billion bolivares. Very well-informed military sources made this announcement because no official information is available at the ministry.

The estimated budget reductions are as follows: Army: 17 percent, which is equivalent to approximately 3 billion bolivares; Navy: 11 percent, which is equivalent to about 700 million bolivares; Venezuelan Air Force: 7 percent, which is equivalent to 400 million bolivares; and Armed Forces of National Cooperation: 16 percent, which is equivalent to about 2.4 billion bolivares.

Reports indicate that Rear Admiral Panayotis Francis Sanchez was the officer tasked with making the estimated reductions, but it was not explained why, in certain cases, the reductions were higher than the recommended 10 percent. There is hope the figures will be reduced somewhat due to the ongoing war against narcoguerrillas, Colombian brigands, and Brazilian gold prospectors on the Brazilian- Colombian border, especially when the National Armed Forces is being urged to comply with its duties of providing protection and security in areas that are so far away that they are nearly inaccessible and where millions are spent in fuel flying and navigating for hours.

This reduction will affect the four components of the military forces. It will supposedly affect their operation as little as possible and funds for gasoline, food, supplies, and preventive and operational maintenance programs will be left untouched. Reports indicate there are no plans for acquisitions this year. There is no indication whether allocations to buy artwork, pay bonuses and representational expenses, remodel offices, maintain and remodel the "El Cielo" ministerial residence and the main residences and summer residences of the general commanders, and pay the salaries of household personnel at these residences will be reduced or eliminated.

There is also no indication whether there will be reductions in allocations for military health, especially when military hospitals throughout the country are facing problems of scarcity and private medical care is so expensive. No explanation was given on whether the reduction will affect the execution of the main maintenance contract for missile frigates hulls, which was approved and signed by the Navy, Congefan [National Armed Forces Comptroller General's Office], and the national Attorney General's Office.

It is possible the National Guard [GN] will be the most affected because the "secret funds," which are mostly used to cover salaries and to partly pay for intelligence work, were reduced. Therefore, some GN training schools will be closed to avoid expenses because there will not be enough funds to pay for new salaries. It is hoped the GN budget reduction will be reconsidered and reduced to at least one fourth of what was proposed so as not to affect the GN training.

Leader of Failed Coup Conditions Resignation

PA0803173494 Caracas EL GLOBO in Spanish 6 Mar 94 p 2

[Text] Lieutenant Colonel Hugo Chavez Frias, leader of the failed 4 February 1992 military coup, in a letter he sent to this newspaper yesterday, explained he is willing to resign from the National Armed Forces [FAN] 24 hours after being released.

The commander, who is staying at the Military Hospital, said the situation following statements by the president have prompted his decision. In a speech the president of the Republic has said the only obstacle that can keep an officer or noncommissioned officer from returning to active duty in the FAN is his political involvement.

He has admitted of the many officers and NCOs of the 4 February uprising still in prison, "only Hugo Chavez Frias has assumed a permanent and critical political attitude, in his attempt to respond to the expectations of the people who woke up and stood on their feet that night, while all the other officers and NCOs have remained almost completely silent."

He accepts responsibility for the position publicly adopted by the 200 Revolutionary Bolivarian Movement and accepts whatever punishment that may result from such statements.

Following the reasons given by the commander in chief, I hereby state to my countrymen I will physically leave the Army and hang up my uniform 24 hours after my release, if this should occur." [no opening quotation mark as published]

The Conditions

Commander Chavez states in his document that to request his resignation the following specific conditions must be met:

1. Freedom and a return to active duty of ALL [previous word published in uppercase] officers, NCOs, and subordinate soldiers still imprisoned for the 4 February and 27 November events, provided this is their wish.
2. Restitution of retirement pension rights and all other social and economic benefits to ALL [previous word

published in uppercase] officers and NCOs discharged after 10 or more years of active duty.
3. Solutions to the problems described by senior officers still imprisoned who cannot or do not want to remain on active duty.
4. Discussion and approval of a swift solution plan for the Venezuelan soldiers who are abroad, in Peru and Ecuador, considering the fact most of them would like to return to active duty and that none of them has adopted any specific political position.

Roundup of Economic Developments

PA08032323409

[Editorial Report] The following is a compilation of reports on Venezuelan economic developments monitored through 8 March.

A study by Fogade (Deposit Guarantee Fund) indicates that it provides an average of 11 to 12 billion bolivares every day to the Construccion, Maracaibo, Latino, La Guaira, Metropolitano, and Sociedad Financiera Fiveca banking institutions. Already, Fogade has provided these banks sums in excess of 300 billion bolivares. (Caracas EL UNIVERSAL in Spanish 2 Mar 94 p E-11)

The Venezuelan Central Bank (BCV) was able to sell all its zero-coupon bonds, worth 25 billion (no currency specified), thereby, revealing the liquidity level of the market. The fact that all the bonds were sold shows that the country is beginning to solve the national financial crisis. Only the seven banks that have asked for financial assistance continue to have liquidity problems. (Caracas EL GLOBO in Spanish 3 Mar 94 p 16)

In February, BCV international reserves dropped to $11.249 billion and the consumer price index went up 1.9 percent, official news agency VENPRES reported. (Hamburg DPA in Spanish 1610 GMT 3 Mar 94)

Swedish Ambassador in Venezuela Peter Landelius has stated that bilateral trade between his country and Venezuela totals over $200 million a year. (Caracas EL GLOBO in Spanish 4 Mar 94 p 7)

Venezuelan petroleum expenses increased 56.669 billion bolivares as a result of the currency being devaluated. The foreign exchange rate, which was 69.29 bolivares per dollar in 1992, increased to 92 bolivares per dollar in 1993. In its annual report, the Energy and Mines Ministry reported that oil export revenues in 1993 totaled 1,027,947,000,000 bolivares, which represents an increase of 257.36 billion bolivares over 1992, which totaled 770.911 billion bolivares. The report also states that the total amount of oil exports in 1993 reached 2.14 million barrels per day, of which 69.59 percent represents crude oil and 30.41 percent, oil by-products. (Caracas REPORTE DE LA ECONOMIA in Spanish 4 Mar 94)

Carlos Garcia, executive director of the Colombian-Venezuelan Integration Chamber, has reported that trade exchanges between the two countries reached $1.6 billion in 1993. This increase of about 62 percent over 1992 favored Venezuela's trade balance by $197 million. The trade balance favored Colombia in 1992 by $126 million. Private Venezuelan investments in Colombia totaled $27 million and private Colombian investments in Venezuela totaled $6 million. (Caracas ECONOMIA HOY in Spanish 7 Mar 94 p 24)